



**PUBLIC AGENDA
STANDING POLICY COMMITTEE ON FINANCE**

Monday, May 1, 2017, 2:00 p.m.

Council Chamber, City Hall

Committee Members:

Councillor A. Iwanchuk, Chair, Councillor R. Donauer, Vice Chair, His Worship Mayor C. Clark (Ex-Officio), Councillor C. Block, Councillor B. Dubois, Councillor M. Loewen

Pages

1. CALL TO ORDER

2. CONFIRMATION OF AGENDA

Recommendation

That the agenda be confirmed as presented.

3. DECLARATION OF CONFLICT OF INTEREST

4. ADOPTION OF MINUTES

Recommendation

That the minutes of Regular Meeting of the Standing Policy Committee on Finance held on April 3, 2017 be adopted.

5. UNFINISHED BUSINESS

6. COMMUNICATIONS (requiring the direction of the Committee)

6.1 Delegated Authority Matters

6.2 Matters Requiring Direction

6.3 Requests to Speak (new matters)

6.3.1 Tools Used in Mass Appraisal for Residential Homes [File No. CK. 1616-1]

5 - 6

The following letters requesting to speak on this matter are provided:

- Mark Bobyn, dated April 24, 2017; and

- Jerry Kristian, dated April 24, 2017.

7. REPORTS FROM ADMINISTRATION

7.1 Delegated Authority Matters

- 7.1.1 **Internal Audit Budget Information Update – March 2017 [File No. CK. 1600-3 and AF. 1600-1]** 7 - 10

Recommendation

That the information be received.

- 7.1.2 **Carrying Costs of Land Holdings [File No. CK. 4020-1, AF. 4110-1 and LA. 4110-1]** 11 - 14

Recommendation

That the information be received.

- 7.1.3 **Administrative Response and Timelines – PwC – Review of Saskatoon Transit Resources and Scheduling [File No. CK 1600-18, x 7300-1 and TR 7300-1]** 15 - 47

Reports from the Internal Auditor, PricewaterhouseCoopers LLP and from the General Manager, Transportation and Utilities Department are provided.

Recommendation

That the report of the General Manager, Transportation & Utilities Department, dated May 1, 2017, be received as information.

7.2 Matters Requiring Direction

- 7.2.1 **Lease of Former Railway Spur Line to Shaw Cablesystems (Sask) Ltd. – Airport Business Area [File No. CK 4225-1, AF 4225-1 and LA 4225-64-1]** 48 - 51

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the Administration be authorized to remove the 6-month termination clause from the proposed lease between the City of Saskatoon and Shaw Cablesystems (Sask) Ltd. for a portion of Parcel A, Plan No. 75S10686, Extension 2;
2. That the Administration be authorized to consider and amend the 6-month termination clause if other lessees of

Parcel A, Plan No. 75S10686 approach the City of Saskatoon wishing to make significant site improvements to the land; and

3. That the City Solicitor be requested to prepare the appropriate agreements, and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

7.2.2 River Landing Land Sale and Lease Update [File No. CK. 4129-5, x 4215-1, x 4225-1 and CP. 4129.056] 52 - 66

Recommendation

That the report of the General Manager, Corporate Performance Department, dated May 1, 2017, be forwarded to City Council for information.

7.2.3 SW Corner of Idylwyld Drive and 33rd Street – Retro Petro Land Acquisition for Future Intersection Improvements [File No. CK. 4020-1 and LA 4021-016-001] 67 - 70

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the Administration be authorized to purchase a portion of Surface Parcel No. 120012376 from 626052 Saskatchewan Ltd. for future intersection improvements as per the details noted in the May 1, 2017 report of the CFO/General Manager, Asset and Financial Management Department;
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal; and
3. That the Dedicated Roadway Reserve be used as the funding source for this acquisition, including legal, administrative, and disbursement costs.

7.2.4 Request for Post-Budget Approval – Capital Project #1411 IS – Land Development - Aspen Ridge Residential Area [File No. CK 4131-32, x 1702-1 and TU 4111-56] 71 - 74

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That a post-budget increase to Capital Project #1411 IS – Land Development – Aspen Ridge Residential Area, in the amount of \$8,598,000 be approved; and
2. That the post-budget increase be funded from the Prepaid Services Reserves and the Property Realized Reserves (Fund 50).

7.2.5 Ideas Inc. Lease Renewal [File No. CK 600-3 and CP 4129-022]

75 - 95

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the Lease and Operating Agreement between the City of Saskatoon and Ideas Inc. respecting 420 Avenue B South be approved; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and The City Clerk be authorized to execute the agreement under the Corporate Seal.

7.2.6 Business Improvement Districts' 2016 Financial Statements [File No. CK 1680-1 and AF 1680-2 x 1680-3 x 1680-4 x 1680-5 x 1680-6]

96 - 150

Recommendation

1. That the 2016 Audited Financial Statements from the Saskatoon Downtown, Broadway, Riversdale, Sutherland, and 33rd Street Business Improvement Districts be received as information; and
2. That this report be forwarded to City Council for information.

8. URGENT BUSINESS

9. MOTIONS (notice previously given)

10. GIVING NOTICE

11. ADJOURNMENT

1616-1



From: City Council
Sent: April 24, 2017 3:02 PM
To: City Council
Subject: Form submission from: Write a Letter to Council

Submitted on Monday, April 24, 2017 - 15:02
Submitted by anonymous user: 174.2.3.146
Submitted values are:

Date: Monday, April 24, 2017
To: His Worship the Mayor and Members of City Council
First Name: Mark
Last Name: Bobyn
Address: 130 Copland Court
City: Saskatoon
Province: Saskatchewan
Postal Code: S7H5R3
Email: markbobyn@shaw.ca

Comments: I am requesting to speak at the financing committee meeting May 1st regarding the tools used in mass appraisal for residential homes, and the need for an additional tool to recognize isolated locations that are experiencing unique adverse impacts on value. The homes referenced specifically are in close proximity to the new sewage lift station in Rotary Park, and the long standing / ongoing odour issues challenging the living environment around these homes.

The results of this submission may be viewed at:
<https://www.saskatoon.ca/node/398/submission/164556>

1616-1

From: City Council
Sent: April 24, 2017 7:38 PM
To: City Council
Subject: Form submission from: Write a Letter to Council



Submitted on Monday, April 24, 2017 - 19:37
Submitted by anonymous user: 204.83.108.16
Submitted values are:

Date: Monday, April 24, 2017
To: His Worship the Mayor and Members of City Council
First Name: Jerry
Last Name: Kristian
Address: 609 Idylwyld Cr.
City: Saskatoon
Province: Saskatchewan
Postal Code: s7m0a9
Email: jerry@jerrys.ca

Comments: I am requesting to speak at the Finance Committee meeting on may 1st regarding the tools used in mass appraisal for residential homes, and the need for an additional tool to recognize isolated locations that are experiencing unique, adverse and negative impacts to their property value. The homes referenced specifically are in close proximity to the new sewage lift station in Rotary Park, and the long standing / ongoing odour issues challenging the living environment and quality of life around these homes.

The results of this submission may be viewed at:
<https://www.saskatoon.ca/node/398/submission/164571>

Internal Audit Budget Information Update – March 2017

Recommendation

That the information be received.

Topic and Purpose

This report provides an update on the expenditures to date for internal audit services provided by PricewaterhouseCoopers (PwC).

Report Highlights

1. Expenditures are within budget parameters.

Strategic Goal

Efficient and effective performance of internal audits supports the long-term strategy of being more efficient in the way the City of Saskatoon (City) does business under the Strategic Goal of Continuous Improvement.

Background

Internal audit services are funded through the Internal Audit Program Reserve which had an opening balance of \$442,533 for 2017.

This is the third year of the five-year contract with PwC.

Report

There are currently four internal audit projects being conducted by PwC. Audit fieldwork is currently underway regarding the Revenue Generation and Human Resource Management audits. The Operating & Life Cycle Costs and Resource Scheduling audits are complete. As of March 31, 2017, 10% of the total budgeted internal audit hours for the year have been completed.

PwC is also working on one additional consulting project that has been carried over from 2016. The final report regarding Saskatoon Land is expected to be presented to the Standing Policy Committee on Finance at its meeting on May 29, 2017.

Attachment 1 provides detailed information regarding each project. The Statement of Work describing the scope and approach for each audit/project can be found on the Corporate Risk webpage on the City's website.

Due Date for Follow-up and/or Project Completion

A budget information update report will be submitted monthly to the Standing Policy Committee on Finance.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachment

1. Internal Audit Budget Status Report

Report Approval

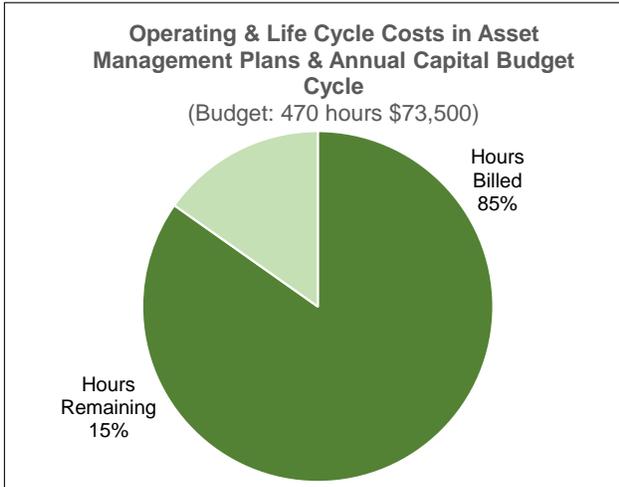
Written by: Nicole Garman, Director of Corporate Risk

Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial
Management Department

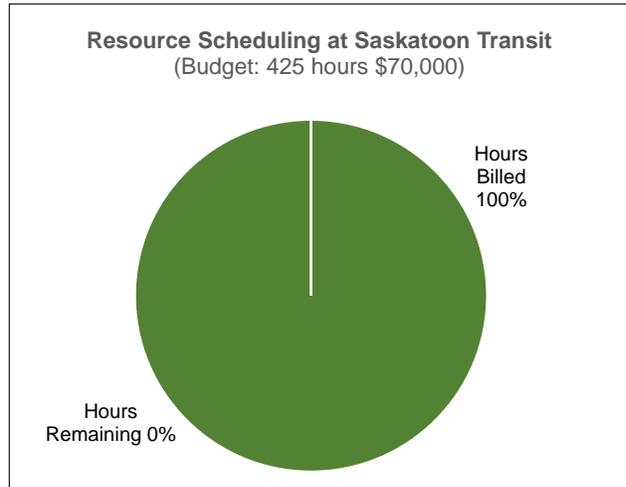
Internal Audit Budget_Mar2017.docx

Internal Audit Budget

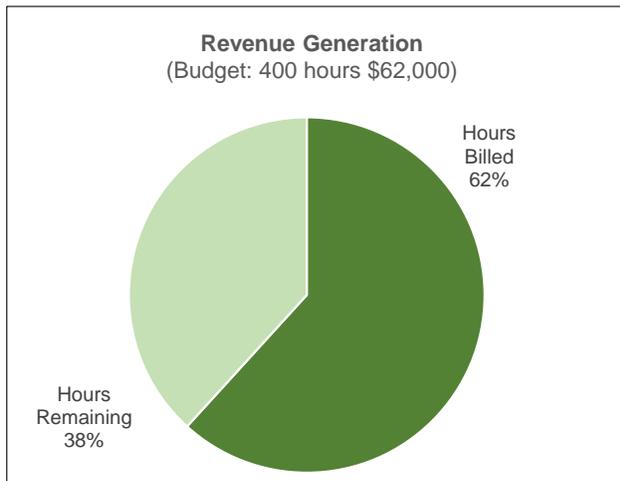
Internal Audit Projects



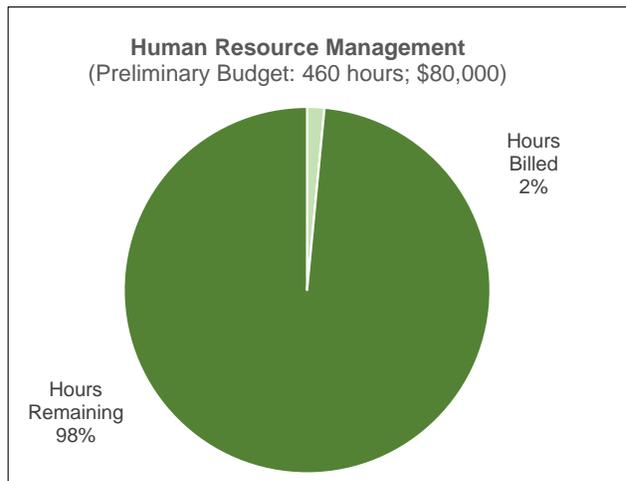
Notes: Statement of Work approved August 15, 2016. Audit fieldwork is complete and a draft report has been provided to the Administration for review. Report will be presented to Committee on May 29, 2017.



Notes: Statement of Work approved July 18, 2016. Audit fieldwork is complete and a draft report has been provided to the Administration for review. Report will be presented to Committee on May 1, 2017.

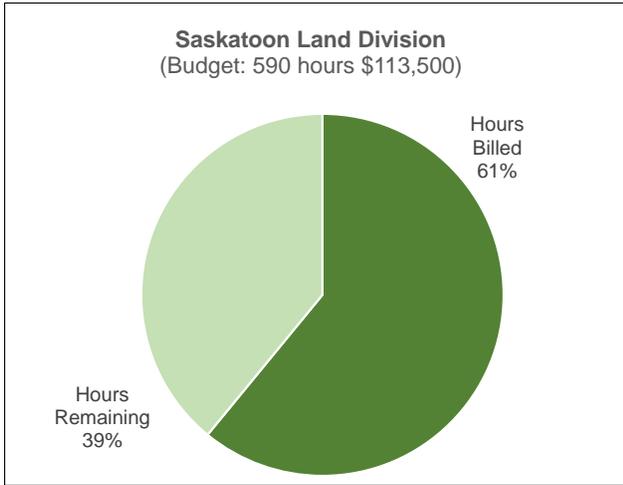


Notes: Statement of Work approved November 7, 2016. Audit fieldwork continues. Anticipated reporting to Committee by mid-2017.

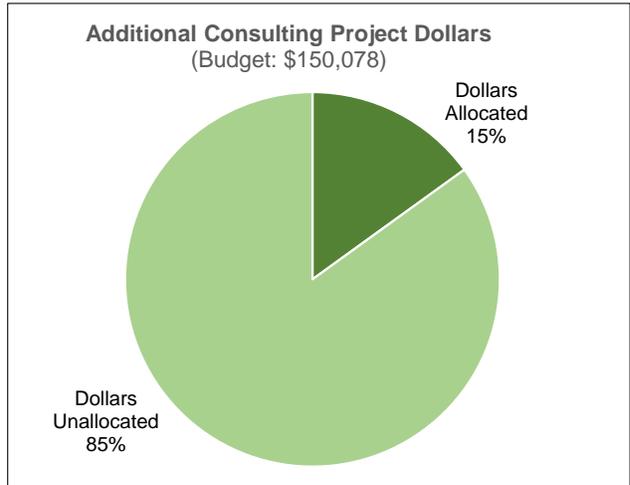


Notes: Initial meetings with the corporate stakeholder group have been conducted. A Statement of Work is anticipated to be presented to Committee in spring 2017.

Additional Consulting Projects

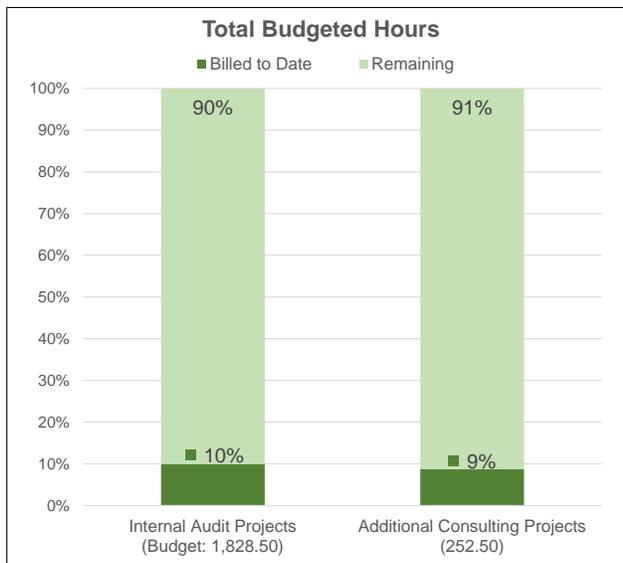


Notes: Statement of Work approved August 15, 2016. Audit fieldwork is complete and the audit report will be presented to Committee on May 29, 2017.

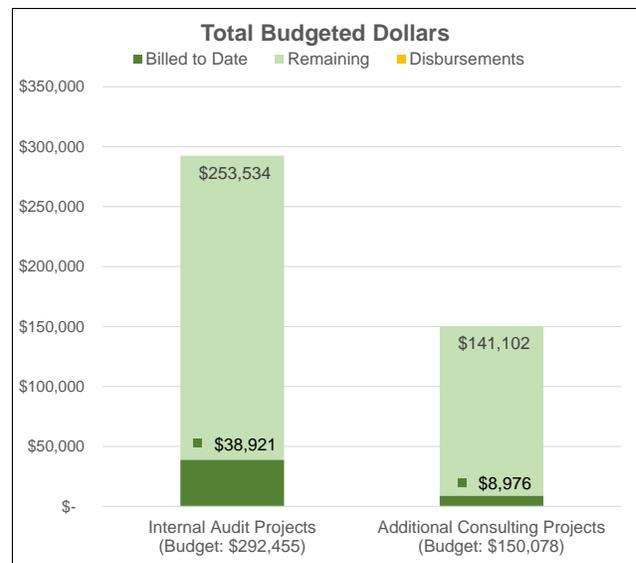


Notes: 15% of additional consulting project dollars have been allocated to specific consulting projects to date.

Overall Internal Audit Program



Notes: A total of 181.5 hours of internal audit work and 22.0 hours of additional consulting work have been billed to March 31, 2017.



Notes: A total of \$47,896.65 has been billed to March 31, 2017 for internal audit services, consulting services and disbursements. This represents 11% of the total available funding for 2017.

Carrying Costs of Land Holdings

Recommendation

That the information be received.

Topic and Purpose

The purpose of this report is provide the Standing Policy Committee on Finance with information regarding carrying costs associated with land holdings.

Report Highlights

1. Saskatoon Land has completed a comprehensive review of the holding costs and revenues associated with its portfolio of lands identified for future development.
2. Revenues have exceeded holding costs every year for the previous five years.
3. Saskatoon Land has reviewed the value appreciation of land that was acquired many years prior to it being developed.
4. Significant community and economic benefits are provided to Saskatoon through the City of Saskatoon's Land Development program.

Strategic Goal

This report supports the four-year priority of completing an assessment to determine the costs and revenues related to growth under the Strategic Goal of Asset and Financial Sustainability.

Background

The City of Saskatoon (City) has been active in the business of developing and selling land since the 1920's, a time when numerous properties were obtained through tax enforcement. In 1954, City Council formalized involvement in the land development business by directing the Administration to actively seek and acquire land for future development. This land banking function has continued to present day, and the City has played a significant role in developing Saskatoon communities and supplying serviced industrial land to accommodate growth.

At its meeting on September 6, 2016, the Standing Policy Committee on Finance resolved:

“That the Administration provide a report outlining the carrying costs of the land holdings of Saskatoon Land and include a calculation of the projected carrying costs associated with land purchases going forward. The report should include the gross costs and the net costs that include revenue generated from these land holdings.”

Saskatoon Land has reviewed the carrying costs of its land holdings for the previous five years, and has provided examples to highlight some of the benefits of the Land Development business line.

Report

Holding Costs and Revenues of Future Development Land

The Administration has reviewed the holding costs and revenues associated with Saskatoon Land's total inventory of future development land for the previous five-year period. For the purpose of this review, future development land has been defined as any greenfield land owned by the City, of which the primary intention is to develop and sell fully-serviced residential, commercial and industrial land. Over the time period reviewed, land holdings have fluctuated due to acquisitions and development; however, inventory levels generally fell somewhere between 5,500 and 8,000 gross acres on an annual basis.

Revenues are comprised of any interim farm leases. Costs are comprised of taxes, maintenance, and any cleanup and/or demolition costs prior to development.

A few assumptions were required to estimate the net revenue associated with future development land holdings. For instance, any revenues or costs associated with land holdings that served an interim civic use were ignored, such as the former Saskatoon Police Services Gun Range parcel and lands being used as snow management sites.

Over the previous five years, the average annual revenue generated from future development land holdings was approximately \$124,900. Over the same period, the average yearly holding cost was approximately \$43,800, resulting in average net revenue of \$81,100. Revenues exceeded costs in each year of the review period, and it is anticipated that this trend will remain going forward. Surplus proceeds collected through the lease of future development lands are transferred to the general revenue account and help to offset general civic operating expenses.

The results of the analysis above are identified in the following table:

	2012	2013	2014	2015	2016	AVERAGE
REVENUES	\$ 63,000	\$ 141,000	\$ 172,900	\$ 130,100	\$ 117,700	\$ 124,900
COSTS	\$ 23,500	\$ 25,300	\$ 27,800	\$ 104,000	\$ 38,600	\$ 43,800
NET REVENUE	\$ 39,500	\$ 115,700	\$ 145,100	\$ 26,100	\$ 79,100	\$ 81,100

Land Value Appreciation

In addition to reviewing annual holding costs, Saskatoon Land reviewed the land value appreciation that has occurred from the time a parcel of land is acquired until the start of development.

Lands acquired for development have been funded from the Property Realized Reserve (PRR). These lands remain in PRR at the acquisition cost until they near development, at which time Saskatoon Land pays PRR the current market value of the raw, unserviced land as estimated by accredited appraisers in Saskatoon Land's Real Estate Services group.

Four recently developed neighbourhoods have been reviewed: Willowgrove, Hampton Village, Evergreen, and Kensington. Lands were acquired for these neighbourhoods since the mid 1960's, and the total historic acquisition cost of all lands assembled was

Carrying Costs of Land Holdings

approximately \$5.6M. Prior to the start of development, Saskatoon Land paid approximately \$26.5M to PRR for the same raw, unserviced land. Accordingly, the appreciation in value from time of acquisitions until development is estimated to be approximately \$20.9M. The price paid to PRR is used to determine land cost in each respective neighbourhood development pro-forma. The practice of Saskatoon Land purchasing raw lands from PRR at an appreciated price has proven to be an effective way of compensating PRR for holding (banking) land until it is required for development.

Calculating the opportunity cost of not investing the \$5.6M in funds used for land acquisitions in the above noted neighbourhoods is difficult, as various land parcels were acquired at different times. However, using typical interest bearing investments at a rate of return of 4.5% over 25 years, a return of approximately \$11.6M could have been realized. This amount is significantly lower than actual appreciation (\$20.9M) that was achieved by holding the lands until they were required for development.

It should be noted that in the acquisition, holding, and subsequent development of land, no costs are funded by Saskatoon tax payers. The Land Development program is completely self-financing.

Benefits of Land Development

Lands held for future development generate positive net revenue to the City on an annual basis. These land holdings also provide opportunities for interim civic uses, such as compost depots, off leash dog areas, police training and snow management sites. Overall, the Land Development program provides many benefits to the City.

To date, \$123.3M in net proceeds from the sale of property in Hampton Village, Willowgrove, Rosewood, and Evergreen has been made available to City Council for allocation to various civic projects, such as the City's Affordable Housing Reserve commitments, Mayfair Pool, and TCU Place upgrades. Additional funding has also been contributed by Saskatoon Land for other corporate projects, such as land acquisitions for River Landing and the Pleasant Hill Revitalization project, the Housing Business Plan, and Pleasant Hill concept plan. Several other civic programs and projects have benefited from contributions or financing provided by the PRR such as Roadways Infrastructure Reserve, Bridge Reserve, and paved street rehabilitation projects. In addition, when funds within PRR exceed \$24M, the PRR provides yearly transfers to the Reserve for Capital Expenditures, an otherwise mill rate funded reserve.

In addition to the direct financial benefits the Land Development program provides, it also ensures sufficient supply of serviced land is available to attract new business and residents to the city and region. The City is also able to take an active role in shaping the growth of the city going forward and ensure new developments provide as much benefit to the city as possible.

Due Date for Follow-up and/or Project Completion

Saskatoon Land will provide a calculation of the projected carrying costs associated with land purchases within all relevant future reports to the Standing Policy Committee on Finance and/or City Council.

Carrying Costs of Land Holdings

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

Written by: Jeremy Sibley, Real Estate Services

Reviewed by: Frank Long, Director of Saskatoon Land
Kerry Tarasoff, CFO/General Manager, Asset & Financial Management
Department

Approved by: Murray Totland, City Manager

Carrying Costs of Land Holdings.docx

Review of Saskatoon Transit Resources and Scheduling

SPC on Finance Public: May 1, 2017
Submission Date: April 25, 2017



Limitations and Responsibilities

This report was prepared by PwC at the request of City of Saskatoon (COS) and is intended solely for the information of City of Saskatoon management, City Council and the Standing Policy Committee on Finance (“SPCF”) of the City Council. The material in it reflects PwC’s best judgment in light of the information available at the time of preparation. This report has been prepared for and only for City of Saskatoon pursuant to our statement of work executed on July 18, 2016 and for no other purpose. The existence of this report may not be disclosed nor its contents published in any way without PwC’s written approval in each specific instance. PwC does not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Our work was limited to the specific procedures and analysis described herein and was based on the information made available through December 7, 2016. Our findings are based on the information provided and the data collected during this engagement.

Note that certain information within this report has remained in camera in accordance with Sections 16(1)(c), 16(1)(d), 17(1)(d) and (17)(1)(f) of The Local Authority Freedom of Information and Protection of Privacy Act.

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Executive summary

Transit Services (“Saskatoon Transit” or “Transit”) of the City of Saskatoon (“the City”) is focused on providing Conventional and Access Transit services to citizens. The Saskatoon Transit team consists of a diverse range of employees including operators, dispatchers, customer service staff, maintenance staff, administration and management. Saskatoon Transit has experienced challenges in recent years providing transit services in an efficient and effective manner, and in 2015 a new leadership team was put in place with an objective of moving past the issues experienced and rebuilding relationships with employees, customers and the City of Saskatoon itself. This review was conducted to examine Saskatoon Transit’s resource management, including the scheduling of operators and spareboards, and to identify improvements with respect to how to efficiently utilize current technology and/or enhance current processes to realize efficiencies in operating costs.

The City spent approximately \$38.5 million in 2015 for Conventional Transit Services, of which approximately 43% related to remuneration of operators and an additional 2% related to operator overtime costs. Our review of resources, particularly resource planning and scheduling, has direct relation to that 45% of the Saskatoon Transit operating spend. From 2013 through 2015, the following trends exist:

Operator costs ↑ 4% Total transit costs ↑ 5% Costs per service hour ↑ 5% Costs per rider ↑ 14% Ridership ↓ 7%

Saskatoon Transit has made progress in the form of development of a 5-year strategic plan and in developing performance measures to improve its ability to self-assess the efficiency and effectiveness of services provided and to make improvements. Saskatoon Transit is making efforts to further integrate technology into its operations in an attempt to enhance the customer experience and introduce further efficiencies internally.

Internal Audit (“IA”) has presented 8 findings and provided 10 recommendations, summarized in Section 4 e). Of these findings, 3 are designated as high-risk/impact, 4 are designated as moderate-risk/impact, and 1 is designated as low-risk/impact. We have also provided comments with respect to the municipalities against which we compared Saskatoon Transit, which directly support the findings and relate to the key themes of utilization of technology, resource management, and route planning.

To further support and provide context, IA has also conducted ratio analysis for certain measures tied to resource scheduling and operational efficiency and effectiveness, and provided comments with respect to comparable municipalities, which are outlined in Appendix A and B. In general, IA had the following observations:

- Cost per rider – Saskatoon Transit’s cost per rider was below that of comparable municipalities, which is driven by higher ridership figures;
- Cost per service hour – Saskatoon Transit’s cost per service hour was within the range of comparable municipalities; and
- Ridership per service hour – Saskatoon Transit’s ridership per service hour was higher than that of comparable municipalities.

Overall, while positive indicators exist in certain measures, there is significant opportunity for Saskatoon Transit to improve its efficiency and effectiveness with respect to resource management. IA noted that there is significant opportunity to increase the utilization of available, paid-for technology and eliminate manual processes in place in order to positively impact Saskatoon Transit’s ability to rely more heavily on data-based decision making. The utilization of these functionalities is directly tied to the ability of Saskatoon Transit to more accurately measure the condition of its current resource scheduling process and make measurable improvements over time.

1 Background and description of process

a) Background and objectives

One of the key strategic goals for the City focuses on “Moving Around”, which is aimed at providing effective mobility options for the citizens of Saskatoon. Saskatoon Transit plays a key role in enabling effective mobility options. Currently, there are two types of transit services used: Conventional Transit and Access Transit. Conventional Transit is a fixed route service and Access Transit provides service to those who are unable to use regular transit with safety and dignity. The 2015 operating spend for Conventional Transit was approximately \$38.5 million, which increased by 3% from 2014. Saskatoon Transit provided approximately 373,000 bus service hours in 2015.

In accordance with the 5-year internal audit plan approved in 2015, IA was directed by the City’s Standing Policy Committee on Finance (“SPCF”) to perform a review of efficiency and effectiveness of resources at Saskatoon Transit.

b) Project purpose

The purpose of the review is to examine the efficiency and effectiveness of resources at Saskatoon Transit and to identify improvements with respect to how to efficiently utilise current technology and/or enhance current processes to minimize operating costs. The scope of our work was limited to resource costs of Conventional Transit. The review consisted of conducting interviews with key personnel and reviewing program information including costs, performance metrics, management activities and staff resources, as well as, operational processes (i.e., dispatch, route planning, operator planning and the route assigning process). The review includes a comparison to other municipalities in order to enable commentary on operational strategies and costs (i.e., route planning, service hours, service level and ridership) and to identify opportunities for improvement.

c) Scope and approach

This review has focused on only Conventional Transit operations, more specifically the dispatching, route planning and resource planning. Our evaluation excluded maintenance and shop, safety, fleet and the operator hiring process, and Access Transit services were not part of the review. Saskatoon Transit’s operating expense for 2015 of approximately \$38.5 million includes remuneration of administrative and management staff, facility costs, transit fleet maintenance and operators’ remuneration. The project includes both an internal process review and assessment of Saskatoon Transit’s resources as well as a comparison of Saskatoon Transit’s resource management and scheduling with other municipalities and financial and performance ratio analysis.

We examined available information relating to route planning, route introduction and expansion, operator assignments and dispatching. We performed walkthroughs of key operational activities to understand and evaluate the current process and we performed analysis and conducted interviews and discussions with key management and front-line staff to understand and evaluate the resource scheduling process and the extent to which it supports strategic goals and objectives.

Our review encompassed the following items:

- Reviewed existing structure, processes, policies and procedures that guide allocation of resources and decision making at Saskatoon Transit.
- Reviewed key financial and operational indicators to understand transit operations and resource allocation implications of current practices.
- Provided recommendations with respect to structure, process, policy and procedures aimed at improving workflows and decision making.
- Reviewed challenges raised by frontline staff and/or provided to us by Saskatoon Transit in an attempt to validate and/or identify the root cause.

This report *does not* represent a comprehensive review Saskatoon Transit's technology or systems, system design, system function and outputs. Rather, the review focused on those system components with a direct or major indirect influence on resource management and allocation decisions.

d) Methodology

The review was conducted utilizing a three step process.

Step 1: Planning and scoping: this included initial consultation and discussion with key management and staff from Saskatoon Transit. IA also requested certain relevant data related to the operations of Saskatoon Transit. Activities also included research and review of relevant resource scheduling processes and best practices, review and analysis of information provided by Saskatoon Transit; and scheduling of site visits.

Step 2: On-site visits and analysis of Saskatoon Transit resource scheduling process: on-site visits and interviews were conducted at Saskatoon Transit. The on-site visits enabled in-person interviews with key management personnel and frontline staff across Saskatoon Transit and job-shadowing of Transit personnel. The on-site fieldwork also included analysis of financial and performance metrics. Upon completion of site visits, we conducted comparisons to other similar sized municipalities. The purpose of the comparisons was to enable further identification of both good practices and gaps in Saskatoon Transit's resource management. After the completion of the on-site fieldwork and analysis, we provided management with a summary of findings and recommendations.

Step 3: Synthesis, report writing, and follow up interviews as required: during this step we addressed any outstanding items and assembled our reporting.

e) Limitations of review

Data provided to conduct the review was sourced primarily from two areas of Saskatoon Transit – Business Administration and Route Planning. It is important to note that there was a lack of availability of certain key data, which impacts Saskatoon Transit's ability to properly evaluate its resource management. Saskatoon Transit has invested approximately \$3.5 million in the Trapeze system over the last decade, which has certain key functionalities that are being underutilized. These functionalities are essential to the measurement of areas of operation that are directly tied to resource scheduling, allocation and utilization. The utilization of these functionalities is directly tied to the ability of Saskatoon Transit to more accurately measure the condition of its current resource scheduling process and make measurable improvements over time.

2 Positive themes identified during review

Our approach to each project includes not only obtaining an understanding of the in-scope areas and identifying opportunities for improvement, but also identifying strengths and positive themes. During our review of Saskatoon Transit's resource management and scheduling process, we identified the following positive themes:

1. Saskatoon Transit has launched real time transit tracking through a third party developer, Transit App and Google Transit. Riders can now see the location of their bus in real time and see how many minutes until the next bus arrives. Implementing the App is intended to improve the overall experience of bus riders. In addition, a regular customer service representative or dispatcher may not be able to process all phone calls received. Thus, the App helps to communicate with riders and provides a time reference through GPS on a real time basis.
2. Integration of technology to help route and resource planning, dispatching services, employee time-keeping and yard management. Saskatoon Transit contracted Trapeze to conduct a review of its IT environment and the potential impact of Trapeze modules on Saskatoon Transit's structures, processes, systems and outcomes related to resource planning and allocation decisions. The review has enabled Saskatoon Transit to understand gaps and efficiency points within their IT system. Transit is continuing to fully implement key components of the Trapeze system.
3. Development of performance measures and the creation of a 5-year plan for Saskatoon Transit. Over the past year, Saskatoon Transit has been working on a customer focused 5-year strategic plan (2016 to 2020). The plan has a specific focus on mobility throughout the City and is in alignment with the Saskatoon Growth Plan. The 5-year plan provides Saskatoon Transit with the crucial direction needed to continue to improve its services, including resource scheduling and allocation.
4. Operational teams structured under the unified leadership of the Director of Transit. This enables a common decision-making platform with consolidated budget oversight and brings together the transit service components of the program.
5. Standardized training requirements and programs for Operators are in place including classroom time and job shadowing.

3 Summary of work performed

This section outlines findings related to processes and practices in resource allocation decisions and is divided into themes and specific processes within Saskatoon Transit. We performed the procedures outlined below to enable the development of the findings and recommendations outlined below and in the table on pages 16 to 20. Also included below are our observations of good practices from relevant comparable municipalities that support the recommendations made. Regina and Windsor participated in the comparison voluntarily and provided insights as to their operations and practices – comments related to other municipalities are from publicly available information. Regina and Windsor were selected as the primary points of comparison as, within the group of ten municipalities that are in the same population category as Saskatoon in the Canadian Urban Transit Association's (CUTA) reporting, Regina and Windsor are the most comparable in terms of number of transit employees and number of buses in service. Saskatoon Transit agreed that the selected municipalities would be appropriate for comparison purposes. Note that at the beginning of each bullet point below, there is a reference to the findings and recommendations in the table on pages 16 to 20 to which the points are most relevant.

a) Understanding and evaluation of investment in and utilisation of Trapeze and related technology

The Trapeze system is fundamental to the operations of Saskatoon Transit, and has particular relevance to resource scheduling. See observation 1a in the table on page 16 for the related risks and recommendations. As part of their current suite of Trapeze applications, Transit has at their disposal the following primary modules and related functionalities:

- “OPS”: used for operators, mechanics, transit staff, yard personnel and dispatchers. Ops assists in the tracking of employees for the assignment of shifts and further integrates the bidding process, dispatching, timekeeping, workforce management, yard management and payroll related functions.
- “FX” : a planning and scheduling software for fixed route transit systems. FX utilizes scheduling algorithms, comprehensive costing capabilities, and demand forecasting.
- “NOVUS”: assists Transit in the management of booking trips, general administration, vehicle and driver management, real-time and batch scheduling, real-time dispatching, mapping and street management, reporting results and billing management. It is designed to assist in ensuring the accuracy of scheduling, appropriate utilization of fleet, setting driver speeds based on area familiarity and updating daily schedules based on automated vehicle location (AVL) data.
- “COM”: a component of Trapeze’s customer information suite used to assist Saskatoon Transit in capturing, tracking and following up on customer and employee requests, compliments, complaints, lost and found requests and other inquiries. Output from this module helps provide management with information to improve public service.
- “Transit Master” is a product which provides options for dashboards, communication between COM center and operator and more accuracy in identifying bus location and “Blockbuster” is a relatively new tool that will replace Transit’s current run-cutting tool. It will reconfigure “blocks” of runs to better utilize the location of buses and schedules of operators.
- Approximately \$3.5 million has been invested in the Trapeze system over the last decade (Conventional Transit only). Throughout the course of our review, it was noted that utilisation of existing functionalities of Trapeze would a) result in the measurement of more meaningful and

accurate financial and operating data that could help in decision making and b) allow for significant opportunity for monitoring of performance throughout the year. We observed low awareness amongst Saskatoon Transit staff of the available modules of the system to-date, however understand they are in the process of identifying super users. Over the course of the past year, Saskatoon Transit has invested effort in improving the utilization of several aspects of Trapeze including reviews of hardware, Farebox, COM, OPS, Transit Master, and Blockbuster. Transit also recently conducted a hardware review and increased communications with operators to ensure Trapeze's intelligent transportation system functionality is being appropriately utilized. Transit is also considering investing in additional Trapeze products including automatic passenger counters and updated fareboxes to more accurately monitor ridership and rider behaviours on any given route or stop.

- While Saskatoon Transit currently has some capabilities in place with respect to computer aided dispatch (CAD) and automatic vehicle locator (AVL) systems, there are currently interface issues being experienced which are impacting Saskatoon Transit's ability to fully benefit from the technology in place (also refer to comments on Observation 3 on next page for further commentary). Increased utilisation of the existing technology will improve the response to vehicle delays, road closures, collisions and breakdowns.
 - Regina and Windsor both utilize CAD/AVL dispatch technology as well. Windsor is implementing CAD/AVL and upgrading Farebox with smart card capabilities and mobile ticketing. The technology enables both municipalities to monitor their buses in real time and provide timely information to citizens. Further, the technology will help them obtain appropriate ridership data to make their service better. Regina utilizes the technology to provide real time data as well as historical aggregation of data that is highly useful in responding to citizen complaints, resolving legal claims, and studying route optimization.

b) Detailed end-to-end walkthrough of dispatch process and interviews with dispatch personnel

Performing this detailed walkthrough was critical to our ability to understand and evaluate the resource scheduling process and to enabling comments thereon. IA spent a morning with the dispatch team to observe the daily process from start to finish and performed further follow-up inquiries and analysis subsequent to the walkthrough. We observed the following items relevant to the review as a result of this process:

- Observation 1b (page 16) – We noted that there were instances where operators were being scheduled manually and also that there was manual tracking of hours worked for all operators. Manual processes currently in place require significant human input and intervention, which increases the opportunity for processing errors to occur and prevents the benefits to be gained from automation from being realized. Increased utilization of Trapeze capabilities by the dispatch team will reduce the manual processing currently taking place and assist in the reduction of errors and communication issues between dispatchers and operators.
- Observation 1c (page 16) – We noted that incidents on the roadway network such as accidents, congestions and detours are reviewed by the supervisor, often requiring the supervisor to perform a visit to that location to confirm the issue and subsequently take action. This creates additional delays and negatively impacts service capabilities. Trapeze has a satellite-based program capable of tracking bus locations and positions, however this program was not being fully utilized in the dispatch and supervisory process. Although physical presence by dispatchers and supervisors will certainly not be avoided entirely even if the capabilities of Trapeze are fully utilised, there will be a capability for improved decision-making regarding both the deployment of individuals on-site and the determination of the number of individuals required on-site (i.e. situations where multiple dispatchers respond to a situation when only one may be needed).

- Observation 2 (page 17) – We noted that no formal review has been performed with respect to dispatcher utilisation, performance measurement and documentation of roles and responsibilities. Saskatoon Transit has budgeted for 6 FTEs within dispatch. Three dispatchers work 10 hour shifts 4 days per week and three dispatchers work 8 hour shifts 5 days per week. Current responsibilities include operator scheduling, assigning work to spareboards, and reacting to the dynamic nature of shift schedules. There was low clarity on responsibility and accountability for performance and issues management.
 - Regina currently operates with five dispatch staff and Windsor with two dispatch staff plus the assistance of supervisors. Saskatoon is currently operating with six dispatch staff. In terms of the ratio of dispatch FTE's to operators, Regina and Saskatoon are comparable (approximately 1 dispatch FTE per 35 operators) however Windsor has approximately 1 dispatch FTE per 60 operators.
 - Competency-based dispatch performance management and formalized policies (standard operating procedures) around the operational structure of dispatch with well-defined roles and responsibilities, performance targets, staff utilization targets and the required technical knowledge (skills matrix/candidate profile) for dispatchers, could result in a more efficient and effective dispatch unit.

c) Review of route planning process and related documents

The route planning process is the foundation which underlies all of Saskatoon Transit's operating activities and in many ways defines the resource scheduling process and the manner in which Saskatoon Transit operates. Decisions made regarding route planning fundamentally impact every aspect of Saskatoon Transit. During our on-site fieldwork we worked to understand and evaluate the process by which route planning is undertaken and the significant impact it has on evaluating operational and financial elements of Saskatoon Transit. We observed the following items relevant to the review as a result of this process:

- Observation 3 (page 18) – We noted that route expansions and adjustments were not based heavily on ridership data, but rather on factors such as City bylaws and the opinion of various public advocacy groups. More fundamentally, Saskatoon Transit is unable to determine ridership based on route and stops as there is not a reliable tracking system in place that captures such crucial ridership data. It was noted that the current system (Farebox) is not generating reliable data, which creates difficulty in determining high and low ridership routes and therefore renders strategic decision making based on this data difficult. Manual ridership counts were being employed as a substitute. Note that anytime Farebox interfaces with a CAD/AVL system, the fidelity of ridership data is off by approximately 15% to 20%. This issue is not isolated to Saskatoon Transit but rather any authority using Farebox and a CAD/AVL system. While Farebox has a ridership count tracker built into it with GPS capability, in order to synchronize data with Trapeze modules, the Farebox tracker is turned off and the Trapeze tracker is engaged. The communication between the two systems causes ridership data loss. Smart terminals on board the bus can assist in processing on-board payments and through the usage of smart cards, track ridership data by bus, route and stop. Regina and Windsor track ridership based on stops and neighbourhood through the usage of smart card technology.
- Windsor has had success working collaboratively with Land Development to determine the optimal use of transit service. In addition, Regina and Windsor have developed a standard and criteria to introduce new routes, including an established minimum density target before

introducing new service into new neighbourhoods. Our understanding is that Saskatoon Transit has significant opportunity for being collaboratively involved in neighbourhood development, and in terms of having clear criteria and standards for introducing new routes (i.e. based on density thresholds).

- Winnipeg Transit has developed standards for new route development and coverage including the introduction of new routes or extended routes when a new development has at least 600 housing units, when most of the housing units in the new development are located more than 800 m from existing transit service, and when at least 200 of the housing units in the new development are occupied.
- The “Transit-Supportive Guidelines” published by the Ministry of Transportation of Ontario in 2012 are “a distillation of transit-friendly land use planning, urban design and operational practices, drawing from experiences in Ontario, elsewhere in North America and abroad. Their aim is to assist urban planners, transit planners, developers and others, working in communities of all sizes, in creating an environment that is supportive of transit and developing services and programs to increase transit ridership”. One of the items the publication highlights is demand-responsive and flexible transit services. Demand-responsive transit serves areas where conventional transit cannot be efficiently provided and flexible transit is a variation where a main route or series of stops is designated, however deviations are permitted to respond to customers’ specific requests. Demand-responsive and flexible transit may be more efficient alternatives where low population densities exist or where trip-making is low during certain times.
- Observation 4 (page 19) – We noted that there was no frequent and/or formal monitoring of the transit network to assess its efficiency and effectiveness. This includes determining the revenue-to-cost ratio of each route, which is hampered by the fundamental lack of accurate data noted on the previous page.
 - Regina and Windsor have found success in performing transit network efficiency assessments annually. Regina regularly reviews its transit network and aims for 90% efficiency, and has recently conducted ridership level assessment based on stops, and created efficiency by eliminating stops where ridership level is low. Windsor performs revenue-to-cost ratio assessments for each route twice a year, and determines which routes are performing better than others. If the ratio drops below 30%, Windsor attempts to boost ridership through marketing efforts or changing the frequency of the run. There is currently no formal assessment of the Saskatoon Transit network’s efficiency and effectiveness.
- Observation 6 (page 19) – We noted that there is limited tracking and monitoring of service hours. As part of route planning, Saskatoon Transit annually determines total service hours required for the year. The service hours are the primary driver of the number of operators required for a given year. During the year, Saskatoon Transit creates additional and temporary services as required. However, these additional and/or temporary services are not factored in when initially determining the actual service hours required for a year (or for the upcoming year). Comparing planned service hours to actual service hours is key to Saskatoon Transit’s ability to determine gaps in service levels and calculate an accurate cost per service hour.
- Observation 8 (page 20) – We noted that trip delays are large contributing factors to overtime costs. While Trapeze has the ability to track on-time/late and missed trips, the system is not being effectively utilized.

d) Understanding and evaluation of operator remuneration (including overtime), transit operating costs, and spareboard rules

The spareboard rules have a significant impact on Saskatoon Transit's resource management process and the ability of Saskatoon Transit to efficiently utilize its operator resources, as they affect the scheduling of all operators utilized by Saskatoon Transit and add complexity to the dispatch process due to the level of detail with respect to how and when operators are scheduled. The spareboard is a pool of qualified operators who cover short-term absences and meet unexpected service requirements. All spareboard operators who make themselves available for work are guaranteed 8 hours pay per day, including Sunday premiums and holiday premiums at time and one half. Any work after the guaranteed hours is considered overtime and paid overtime. Operators are assigned work based on seniority. During the route sign up process, operators can choose to have a fixed route and spareboard days.

- As outlined in Appendix A and B, IA performed analysis on certain relevant ratios to understand metrics in place at Saskatoon Transit and to report on relevant trends, both in consideration of Saskatoon Transit trends in recent years and also in comparison to similar municipalities' transit operations.
- In addition to this, IA performed a comparative analysis of the spareboard rules in 3 comparable municipalities to those currently in place at Saskatoon Transit. There were 14 specific elements of the spareboard rules that were examined and they were categorized in terms of the extent to which changes in the spareboard rules might have the ability to either significantly (2 areas identified), moderately (3 areas identified), or minimally (6 areas identified) impact the efficiency of Saskatoon Transit's resource utilization. There were also 3 areas identified where there was not considered to be any impact.
- In light of the comparative analysis that IA has performed on the spareboard rules, we have recommended that Saskatoon Transit consider the items we have highlighted and perform further internal analysis. Review of the spareboard rules should be a continuous process in order to seek out efficiencies at Saskatoon Transit.
- Windsor Transit has found success by enabling their temporary (full time) operators to work at 75% for 240 days to allow more permanent full time operators to take time off. This practice has allowed them to run close to 100% capacity, and better utilize their operators. In terms of the process of assigning routes to operators, there are five major sign-ups annually, which occur approximately every 10 weeks. Approximately every 2 weeks in between the major sign-ups, there are "2 week" signups in which the spareboard operators sign their pieces of work. For regular operators, operators signing for regular runs perform their work on the 5 days in a 7 day period that Windsor Transit designates and take off the 2 days that Windsor Transit designates. In the case of an emergency, Windsor Transit may refuse such days off in which case they must pay each operator required to work on either day at 1.5x.
- IA noted that during the busiest season of the year (all else being equal) the labour supply in place at Saskatoon Transit is sufficient to operate effectively. However, inefficiencies can arise during the slowest seasons (spring/summer), as service hours are significantly reduced but available labour hours remain the same, as the employment status of operators is full-time permanent. IA understands that Saskatoon Transit currently combats this by arranging scheduled vacation during the summer, however can encounter challenges due to over-scheduling of vacation and the incurrence of overtime during these slow periods. When this occurs, Saskatoon Transit actually ends up incurring overtime during its slowest periods of the year due to non-availability of operators due to vacation. Saskatoon Transit is

aware of the anomaly and has focused its efforts to address it in 2016 by being more strategic with its scheduling of vacations in the summer and fall. Saskatoon Transit indicated to IA that its overtime costs are down 37% from June 2015 to June 2016, 45% from July 2015 to July 2016, 76% from August 2015 to August 2016, and 51% from September 2015 to September 2016.

- Regina has found success with their spareboard utilization by ensuring operators either choose to be on a spareboard list or sign-up for a fixed route but not a mix of both. This practice has allowed Regina to better plan their spareboard utilization. In terms of the current process at Saskatoon Transit for assigning routes to operators, sign-up occurs 3 times per year. All available work is posted and sign-up is based on seniority.

e) Understanding and evaluation of 5-year plan

Saskatoon Transit has developed a 5-year plan which covers the years 2016 to 2020 and serves to reflect where Saskatoon Transit is today (the starting point of their transition), to focus resources on prioritized challenges and expectations, to communicate and support engagement among staff and customers, and to promote accountability, transparency and a culture of continuous improvement. With the plan, Saskatoon Transit has developed several financial and quality related measures; however, performance targets and methods to appropriately extract data for analysis of overall performance have not yet been established and a heavily data-based decision making process is not yet being utilized. Saskatoon Transit will continue to develop and measure target metrics as the fidelity of their data is improved. See observation 5 in the table on page 19 and related risks and recommendations.

- Regina and Windsor measure and monitor performance and have established financial and operational targets. Both municipalities use data for decision making.
 - For instance, Regina aligns their service measures to MBNCanada and key service measures for Regina Transit include ridership (passengers per bus hour) and route efficiency (target of 90%) – both of which are possible to target based on tracking of ridership and passenger by bus stops, time, and neighbourhood. Windsor targets financial metrics such as maintenance expense as a % of total direct operating expenses and fuel expense as a % of total direct operating expenses, as well as cost efficiency metrics such as maintenance expense per vehicle hour and fuel expense per vehicle hour. Windsor also performs revenue-to-cost ratio assessments for each route twice a year, and determines which routes are performing better than others. If the ratio drops below 30%, Windsor attempts to boost ridership through marketing efforts or changing the frequency of the run.

4 Observations, risks and recommendations

a) Rating objectives

- Assists City Administration and SPCF in assessing and reviewing results;
- Provides the basis for prioritizing follow-up;
- Facilitates comparison across business units;
- Facilitates issues-tracking system usage; and
- Provides a measure of transparency in the rating criteria.

We have risk rated each of our findings in terms of severity of impact and likelihood, on a scale of High (H), Medium (M), and Low (L). The heat map below provides guidance for our ratings.

b) Impact rating definition

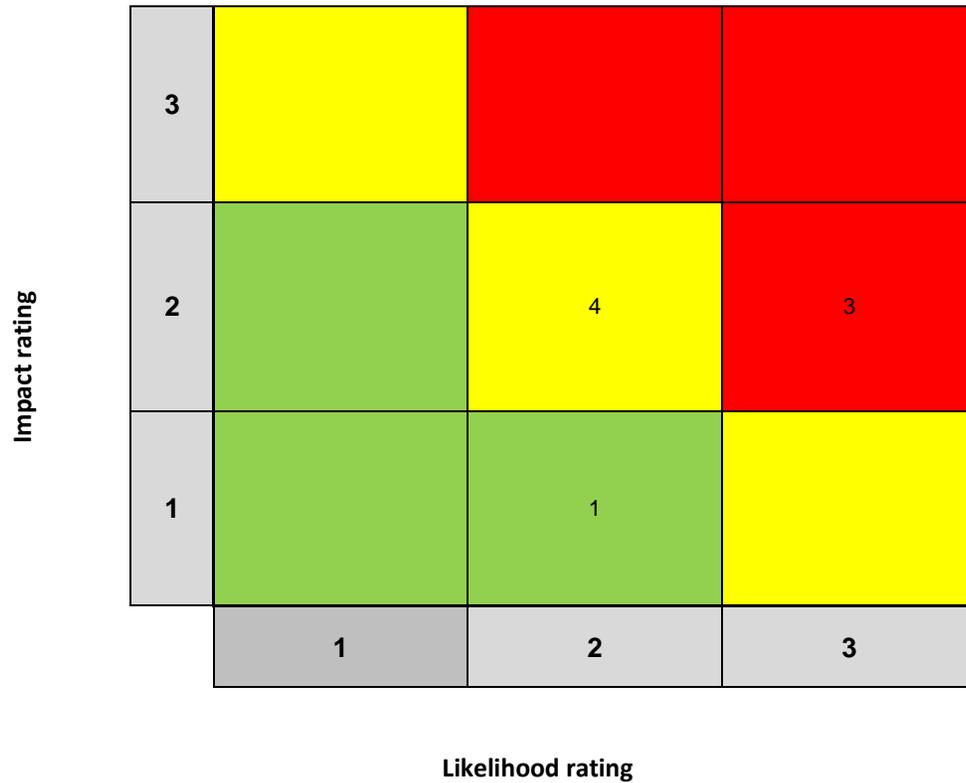
Individual observations	Impact	Overall report
Significant finding. High risk of significant impact (e.g., fraud, serious financial/operational/reputational risk, serious safety issues).	3	Process or internal review area requires improvement. One or more “red” individual findings indicate that immediate attention is required.
Less severe finding. Moderate risk and requires process change/improvement to reduce the likelihood of a significant finding in the future.	2	Moderate issues identified during the analysis. In order to make meaningful improvements the recommendation requires implementation.
Low risk item. Value added process improvement or enhancement.	1	No significant issues identified during the stated analysis. The recommendation provides Administration with the opportunity to effect positive change.

c) Likelihood rating definition

Likelihood Scale	Likelihood*	Possibility
3	Highly likely, systematic or ongoing	>=60%
2	Possible or occasional	>25% and <60%
1	Rare or unlikely	<=25%

*Likelihood relates to potential for observation to contribute to potential program failure in the area the finding pertains to.

d) Summary of risk ratings and heat map



- Total findings: 8
- 3 High risk/impact
- 4 Medium risk/impact
- 1 Low risk/impact

e) Table of findings, risks and recommendations

	Category	Description of Detailed Findings	Risks and Impact	Risk Ranking	Recommendations and applicable good practices	Management Response
1	Dispatch, technology usage and training	<p>a. Significant investment in Trapeze with low utilisation of full functionality and low awareness amongst relevant users.</p> <p>b. Manual scheduling of operators and manual tracking of hours worked.</p> <p>c. Limited utilisation of Trapeze functionality for tracking bus locations and positions by dispatch and supervisory function.</p>	<p>Limited use of all of the available technology will negatively impact efficiency and effectiveness.</p> <p>Staff and the dispatch team should be fully aware of the functionality, usability and information processing capability of the Trapeze modules in place which include FX, Ops and Novus.</p> <p>Manual processes currently in place require significant human input and intervention, which increases the opportunity for processing errors to occur and prevents the benefits to be gained from automation from being realized.</p>		<p>With respect to maximizing the investment in Trapeze and utilization existing functionality in Saskatoon Transit's technology to drive operational improvements in efficiency and effectiveness, IA recommends that Saskatoon Transit:</p> <ul style="list-style-type: none"> - Establish a long-range technology implementation plan for existing Trapeze modules which outlines short-term prioritized projects for each module with longer-term planning in a way that maximizes benefit across the entire authority (including employee training on Trapeze modules). The implementation plan should also consider broad based risk factors and financial/operational implications. - Appoint in-house Trapeze champions to assist the Transit staff become well oriented with the system, particularly with respect to currently available but underutilised modules. These individuals will be the "go-to-person" for Trapeze related training and questions and serve as the liaison with the system provider. - Develop a policy/user manual for Trapeze to assist in training and succession planning. <p>This recommendation is ultimately intended to result in the dispatch team fully utilizing Trapeze capabilities and reduce manual processing currently taking place. The full utilization of Trapeze capabilities by the dispatch team will increase efficiencies by assisting in the reduction of errors and avoiding communication issues between dispatchers and operators. Increased utilization by the dispatch team will improve response to vehicle delays, road closures, collisions and breakdowns.</p> <p>Although physical presence by dispatchers and supervisors will certainly not be avoided entirely even if the capabilities of Trapeze are fully utilised, there will be a capability for improved decision-making regarding both the deployment of individuals on-site and the determination of the number of individuals required on-site (i.e. situations where multiple dispatchers respond to a situation when only one may be needed). Expected benefits of improved utilization of this functionality are:</p> <ul style="list-style-type: none"> - Improved management capabilities for dispatchers and extends the number of transit buses that can be handled by each dispatcher; - Transmission of real-time information such as schedule adherence feedback to dispatch, customer service information, and operator data helps to maximize on-time performance, service reliability, and protects transit connections/user experience; and - Provides the ability for operators to quickly inform dispatch about an onboard emergency and for dispatch to immediately know the vehicle location to send assistance. 	<p>Response Agreed</p>

	Category	Description of Detailed Findings	Risks and Impact	Risk Ranking	Recommendations and applicable good practices	Management Response
2	Dispatch, technology usage and training	<p>There are insufficient formalized rules in place which address the mandate of the dispatch unit, including its structure and its accountability for daily tasks performed.</p> <p>There is limited formal review in place of dispatcher utilization, tangible performance measurement and/or documentation of roles and responsibilities of the dispatch team.</p>	<p>Limited definition and documentation of roles and responsibilities, accountability for daily tasks, performance measurement and issues management, and team structure will negatively impact the performance of the dispatch unit, which can have a significant impact on the operating effectiveness and efficiency of Saskatoon Transit.</p>		<p>IA recommends that a formal review of the dispatch process be conducted to determine dispatch workload and capacity, as well as, opportunities for efficiencies with the utilization of current software in place as outlined in #1 immediately above.</p> <p>The review should seek to conclude on competency based dispatch performance. The review should seek to formalize policies (standard operating procedures) around the operational structure of dispatch with well-defined roles and responsibilities, performance targets, staff utilization targets and the required technical knowledge (skills matrix/candidate profile) for dispatchers.</p>	<p><u>Response</u> Agreed</p>

	Category	Description of Detailed Findings	Risks and Impact	Risk Ranking	Recommendations and applicable good practices	Management Response
3	Route planning	There is currently very limited usage of ridership-based planning and limited ability to determine accurate ridership figures based on specific routes and stops.	Lack of factual, accurate data could result in higher than required service being provided to low ridership areas and neighbourhoods and vice versa, which negatively impacts resource scheduling, resource utilization and operator costs.		<p>IA recommends improved coordination and synchronization between Planning and Development and Saskatoon Transit. Creating transit-supportive communities relies on the continued effective coordination of Planning and Development and Saskatoon Transit so they are mutually supportive. When Saskatoon Transit and Planning and Development make decisions in isolation, it can lead to patterns of development that are difficult and inefficient to serve by Saskatoon Transit.</p> <p>IA recommends that Saskatoon Transit, in conjunction with Planning and Development, develop a standard or criteria to consider when exploring expansion and adjustment of transit services. Some of the criteria and factors could include:</p> <ul style="list-style-type: none"> ➤ Population and demographic trends; ➤ Future land use and travel patterns; ➤ Ridership forecast based on neighborhood and stops; ➤ Parking management practices; and ➤ Impact of new transit service or bus routes on communities and neighborhoods. <p>IA recommends that Saskatoon Transit finalize the establishment of service level guidelines which describe items such as neighborhood density, stop locations and passenger loads.</p> <p>IA recommends that formal ridership data be tracked by route and stop. For the purpose of transit service/route planning, tracking performance at the individual route level is essential to enable transit planners to make informed decisions concerning the level of transit service.</p> <p>The tracking of this data would allow for formal consideration of alternatives such as flexible transit services. Demand-responsive and flexible transit may be more efficient alternatives where low population densities exist, or where ridership is low during certain times.</p>	<p><u>Response</u></p> <p>Agreed</p>

	Category	Description of Detailed Findings	Risks and Impact	Risk Rank	Recommendations and applicable good practices	Management Response
4	Monitoring/ measurement of efficiency/ effectiveness	Lack of formal monitoring of efficiency and effectiveness of transit network on a periodic basis	Limited periodic monitoring and assessment of transit network could lead to inefficient assignment of resources.		IA recommends that periodic review of ridership, usage, and on-time performance of the transit networks be conducted to assess their efficiency and effectiveness. At-least annually, Saskatoon Transit should determine the revenue-to-cost ratio of each route as well as ridership based on stops, neighborhood and time of day. This would enable Saskatoon Transit to be able to identify inefficient and costly routes and respond by either reducing the number of services where ridership is low or attempting to boost ridership through marketing and identifying potential route segmentation and frequency changes.	<u>Response</u> Agreed
5	Monitoring/ measurement of performance	Lack of performance targets and methods to appropriately extract data for analysis of overall performance have not yet been established.	Reduced availability of information for strategic decision making limits the ability of the 5 year plan to cause meaningful change to resource scheduling.		<p>IA recommends that Saskatoon Transit establish methods to collect information required to assess performance and analyse whether progress is being made on the 5 year plan). Performance targets should be developed in alignment with Municipality Benchmarking Network Canada (MBNCanada) and Canadian Urban Transit Association (CUTA). Performance measures and targets typically are operational and financial measures. Saskatoon Transit may also want to consider developing additional performance measures such as:</p> <ul style="list-style-type: none"> - Maximum vehicle ridership loads, wait times and transfer wait times; - Ridership per revenue vehicle hours; - Revenue-to-cost ratio; - Maintenance expense to total vehicle hours; - Revenue vehicle hours per capita. <p>Performance monitoring would enable Saskatoon Transit to determine whether they are meeting their financial and operational targets as well as ridership and quality of service targets. Performance reporting allows Saskatoon Transit to improve service efficiency, availability of resources, and convenience to customers.</p> <p>It is also essential for Saskatoon Transit to know the quality of service being provided as perceived by riders in order to further develop strategies to attract and retain ridership. Without a systematic approach to monitoring performance, Saskatoon Transit will not accurately and effectively be able to measure whether they are meeting the above goals.</p>	<u>Response</u> Agreed
6	Monitoring and measurement of service hours and related measures	Limited tracking and monitoring of service hours	Negatively impacts Saskatoon Transit's ability to determine the efficiency of service delivery.		IA recommends that Saskatoon Transit utilize Trapeze to track and monitor service hours and determine the true cost of service per hour. More comprehensive data collection and analysis would enable Saskatoon Transit to better understand the cost and level of service being provided to citizens, thereby ensuring adequate funds are in place to effectively achieve the desired level of service.	<u>Response</u> Agreed

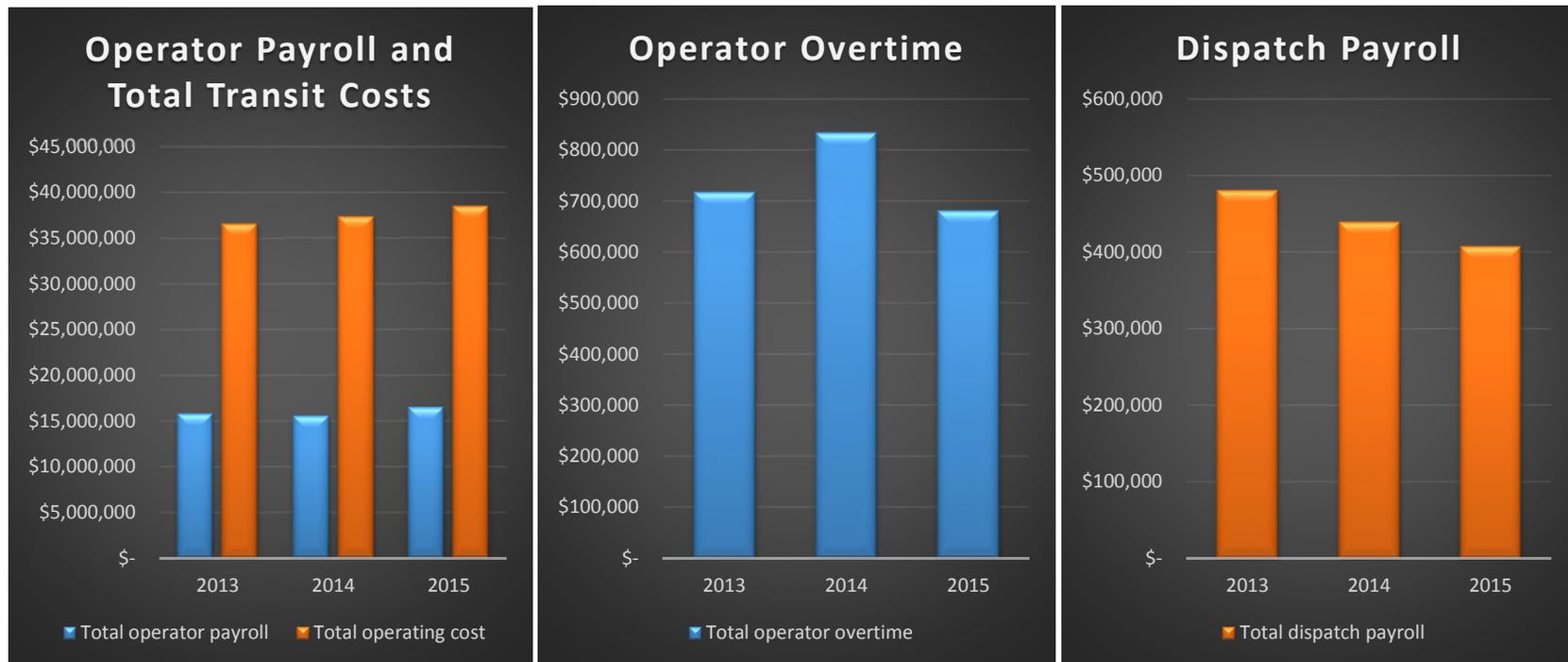
	Category	Description of Detailed Findings	Risks and Impact	Risk Ranking	Recommendations and applicable good practices	Management Response
7	Monitoring and measurement of utilization of operators and use of spareboards	Consideration of good practices in place regarding operator utilization and spareboards	Negatively impacts Saskatoon Transit's ability to deliver efficient services.		<p>IA recommends that Saskatoon Transit work to implement changes that could positively impact the efficiency of its operations. In particular, the following areas of the spareboard rules warrant detailed review and analysis by Saskatoon Transit:</p> <ul style="list-style-type: none"> • Definition of spareboards; • Overtime; • Guaranteed hours; • Additional work; and • Extent of hours required. 	<p>Response Agreed</p>
8	Monitoring and measurement of service hours and related measures	Utilization of on-time performance data to make strategic decisions	Negatively impacts Transit's ability to determine the efficiency of service delivery		<p>IA notes that Saskatoon Transit has the ability to monitor on-time trip performance, however, historically the data has gone untracked. As a result, the data set (containing multiple years of data) does not exist to be able to make strategic decisions which could improve efficiency of service delivery. IA recommends Saskatoon Transit begin tracking and monitoring on-time performance using Trapeze with the intention of identifying the root cause of on-time and/or late trips. The data should be used to plan a course of action and presented in part with strategic decisions made to improve efficiency within their service delivery model.</p>	<p>Response Agreed</p>

Appendix A - Financial and performance analysis

Saskatoon Transit's operating spend has increased from 2013 to 2015, as outlined below. The overall operating spend includes remuneration, maintenance of buses, fuel, infrastructure and administration. Across Canada, operating costs, particularly operator salaries, have been increasing in recent years. Unions across the country have been negotiating wage increases for their members, as evidenced by negotiations in Winnipeg and Hamilton. The charts below indicate that both total operator payroll costs and total operating costs have increased at Saskatoon Transit from 2013 to 2015, while total payroll costs for dispatchers have slightly decreased over that same 3-year period. Total overtime for operators fluctuated over the 3-year period, but the difference remains within a percentage point of total operator payroll costs.

Important highlights are as follows:

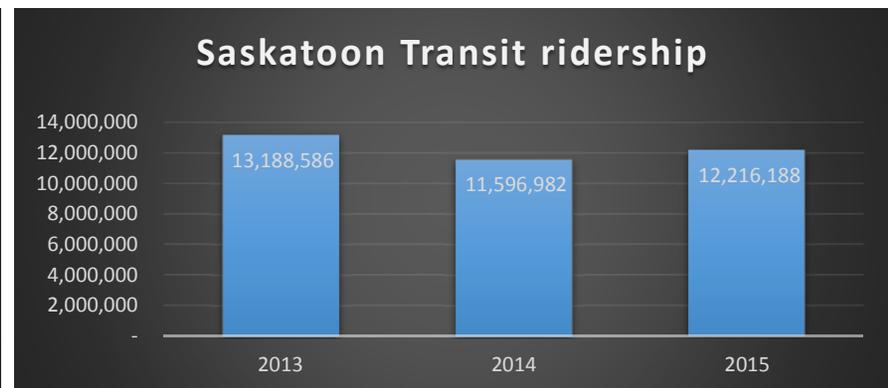
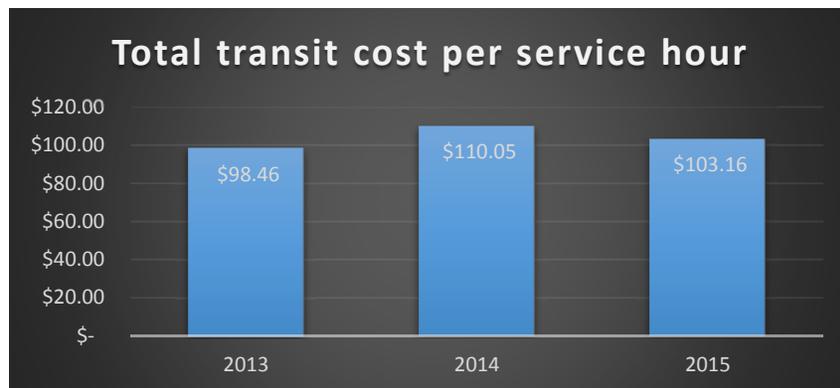
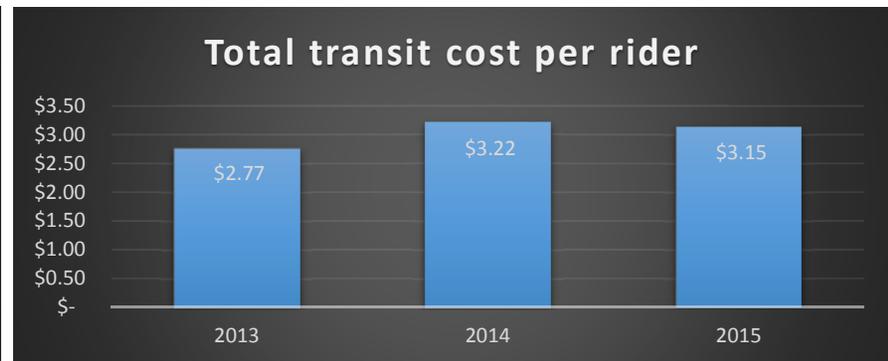
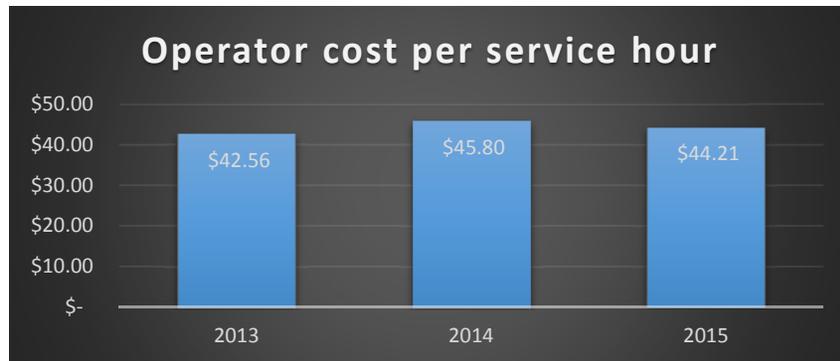
- Total operator remuneration has increased 4% over the 3-year period;
- Total transit operating costs have increased 5% over the 3-year period; and
- Operator overtime represents approximately 2% of total transit costs.



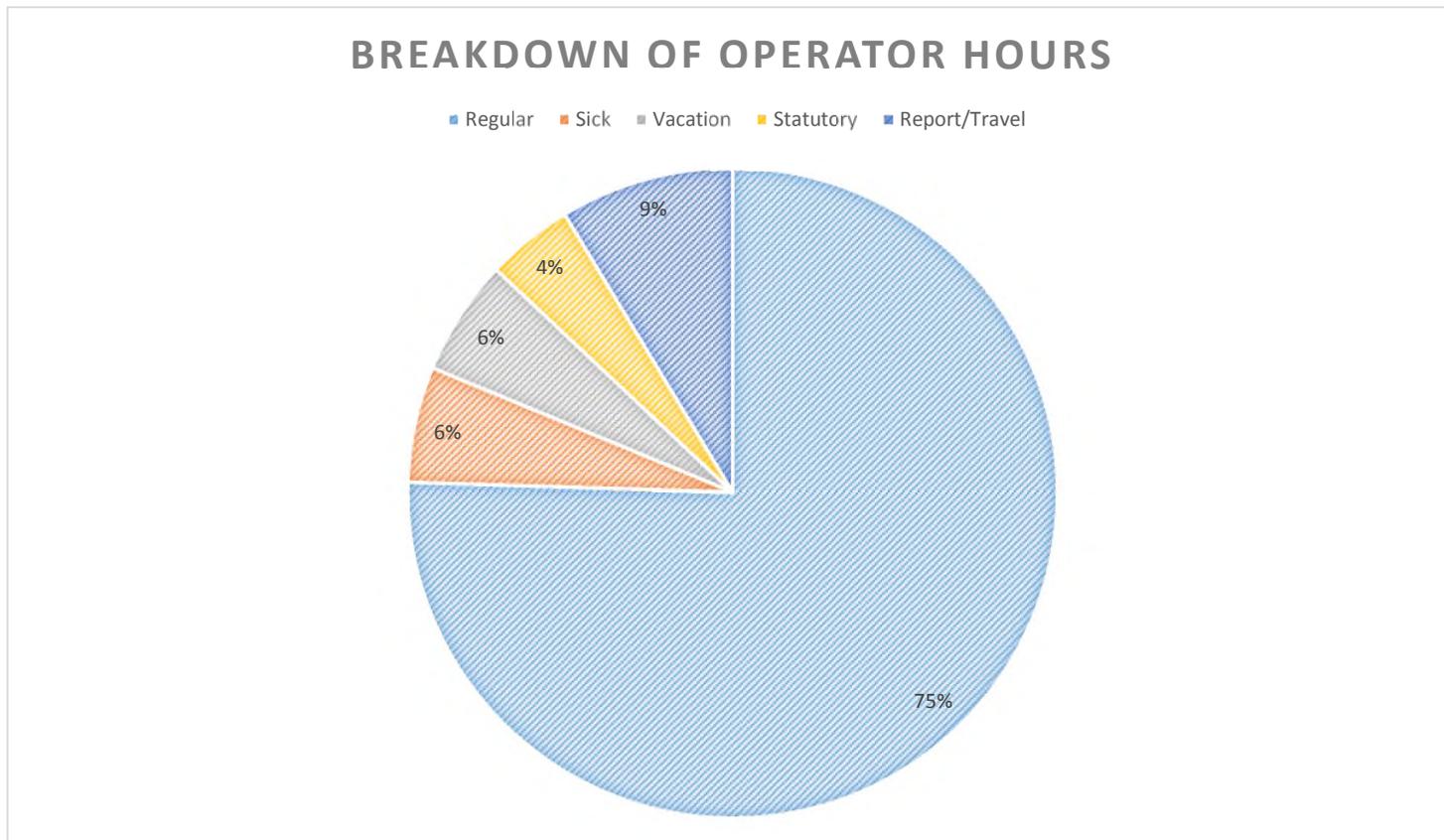
There are two methods to determine ridership levels: formula-based and electronic ridership. Formula-based ridership is determining ridership based on sales, and electronic ridership is determining it based on information provided by the Farebox Intelligent Transit System. Saskatoon Transit currently determines ridership levels using both methods. For our analysis, we utilized the formula-based ridership figures, which are also reported annually to the Canadian Urban Transit Association (CUTA).

In 2014, ridership levels decreased due to the labor disruption. The labor disruption also resulted in decreased service hours. The reduction in service hours in 2014 had an impact on determining the cost per service hour. Since service hours are the denominator, a reduction in service hours while maintaining the same level of operating costs resulted in higher service costs per hour.

As noted in the previous section, operator costs have been increasing across Canada in recent years. As seen in Table 2 below, Saskatoon Transit experienced a relatively lower increase of 5% per service hour when comparing 2015 to 2013. However, as a result of ridership decreasing from 2013 to 2015 by 7%, the cost per rider has increased by almost 14% when comparing 2015 to 2013. When assessing these two factors together, the observation is that while cost per service hour has not increased by a significant margin, the same number of service hours are servicing a lower level of ridership on average.



In considering operator remuneration (and remuneration in general in terms of any type of scenario where utilization is relevant to the output being provided, whether a service or a good) the amount of time available for productive hours is a crucial consideration. To put it in the context of Saskatoon Transit, in order to be able to provide 400,000 service hours in a given year, more than 400,000 of available operator hours are going to be needed as operator time is not 100% utilized. In general, operators have approximately 70% to 75% of their available time available to actually operate the bus. The other hours that are not spent actually operating a vehicle consist of the following: sick hours (entitled to 1.25 days per month or 120 hours and increases to 144 hours after 10 years of service), vacation hours (minimum of 3 weeks of 120 hours and increases to 4, 5 or 6 weeks depending on years of service), statutory holidays (88 hours or 11 days per year) and report/travel/guarantee time (approximately 180 hours per year). Other variables that can impact the range of utilization include the “sick bank” (disability) and WCB usage, which vary from month to month.



Appendix B - Performance relative to comparable cities

The main source of information for the comparative analysis in the following tables is CUTA reporting for the periods from 2013 to 2015.

Table 1



Table 1 above presents a trend indicating comparable rider cost achieved and reveals that Saskatoon Transit has a lower cost per rider than Regina and Windsor. This is due to the high ridership experienced in Saskatoon; the ridership levels in Regina and Windsor are approximately half of Saskatoon's. Note that in any given year, the ridership levels vary depending on how cities promote their transit service, as well as their ability to provide effective transit experience to citizens. In terms of the trends in cost per rider, Saskatoon increased by 14% from 2013 to 2015 compared to an increase of 6% for Windsor and a decrease of 4% for Regina. As noted earlier, 2014 costs for Saskatoon Transit were higher due to the labor disruption, which in turn contributed to lower ridership in that year. If the ridership level in 2014 had been to the same level as in 2013 or 2015, there would have been a reduction in cost per rider. As noted earlier, reduction in ridership can have a significant impact on service cost per hour.

As noted earlier in the report, Regina and Windsor were selected as the primary points of comparison as, within the group of ten municipalities that are in the same population category as Saskatoon in CUTA's reporting, Regina and Windsor are the most comparable in terms of number of transit employees and number of buses in service. When extended to the broader group of municipalities within Saskatoon's population range, Saskatoon Transit continues to be above average in terms of various measures of cost effectiveness and cost efficiency.

Table 2.

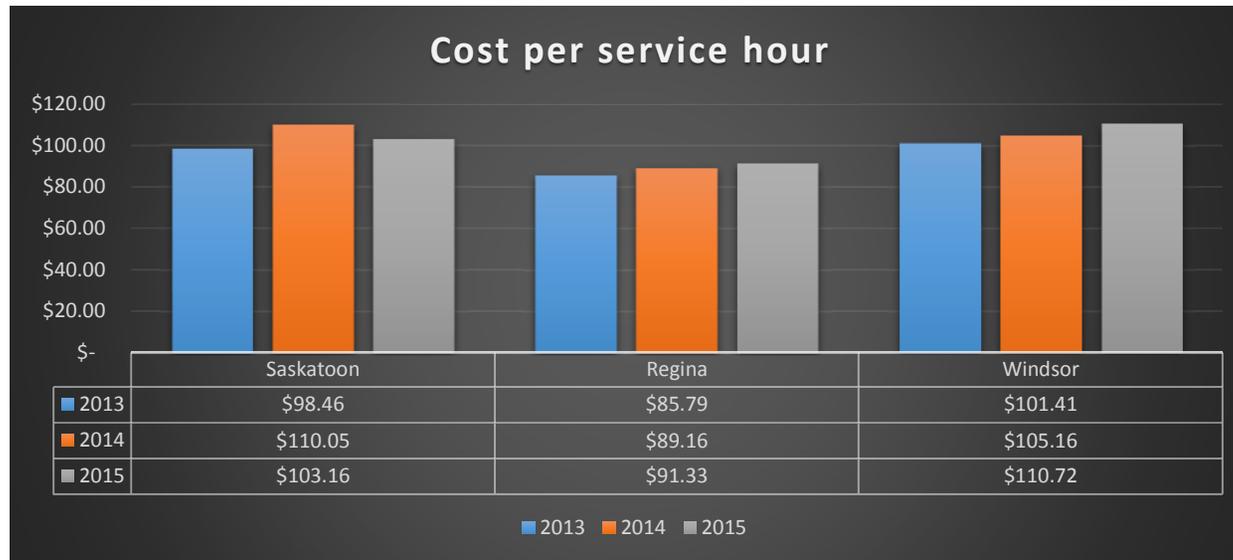


Table 2 above illustrates a trend on total spending per hour of transit service time. The analysis reveals that Saskatoon Transit’s cost per service hour in 2015 was higher than Regina by 13% and lower than Windsor by 7% in 2015. As noted earlier, 2014 costs for Saskatoon Transit were higher due to the labor disruption resulting in a reduction of service hours. In terms of trends, Saskatoon has increased by 5% from 2013 to 2015 while Regina and Windsor have increased by 6% and 9%, respectively.

As noted on the previous page, Regina and Windsor were selected as the primary points of comparison as, within the group of ten municipalities that are in the same population category as Saskatoon in CUTA’s reporting, Regina and Windsor are the most comparable in terms of number of transit employees and number of buses in service. When extended to the broader group of municipalities within Saskatoon’s population range, Saskatoon Transit continues to be above average in terms of various measures of cost effectiveness and cost efficiency.

Table 3

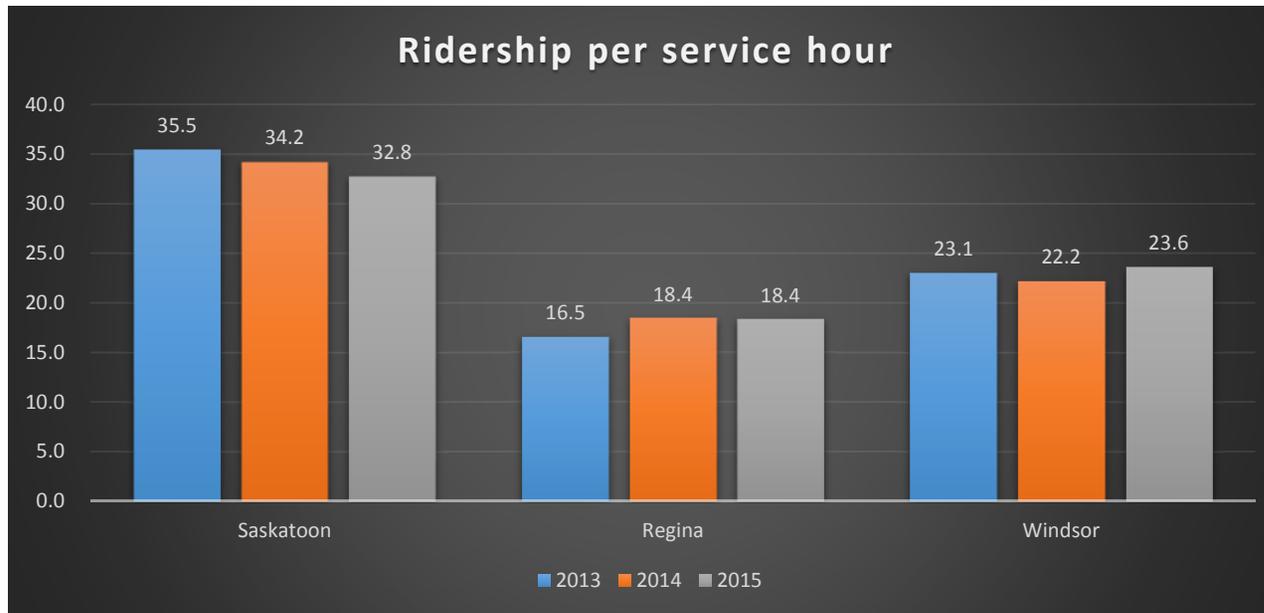


Table 3 above illustrates that while Saskatoon Transit has higher ridership per service hour than Regina or Windsor, while Regina has seen a 12% increase in ridership per service hour over the 2013 to 2015 period, Saskatoon has seen an 8% decrease over this same period.

Appendix C - Comparative analysis of spareboard rules

IA obtained the spareboard rules of three comparable municipalities for purposes of comparing and contrasting Saskatoon Transit's spareboard rules. IA has excluded the use of municipality names in our analysis below, other than when referring to Saskatoon. The analysis has resulted in four categorizations of areas within the spareboard rules, depending on the extent, if any, to which further definition and/or adjustments to Saskatoon Transit's spareboard rules could either have a significant, moderate or low impact on efficiency.

1) Areas where further definition and/or adjustments to the spareboard rules could have a significant impact on efficiency

Overtime: Saskatoon Transit's current practice based on the spareboard rules is that spareboard operators willing to work overtime must sign the daily overtime list. Spareboard operators who refuse overtime after their day has been scheduled will not have their guarantee reduced because of the refusal. Spareboard operators are paid premium rates for any time logged before their scheduled shift begins (i.e. asked to come in early). Spareboard rules of comparative municipalities indicate:

- Spareboard operators will be required to obtain their 8 hours before they receive 2x pay for working between 12 am and 5 am. If an operator obtains their 8 hours part way through the night charter, they will be paid at the appropriate overtime rates for the remaining time;
- If work is required on a day normally designated as a day off, such days will be paid at a premium rate of 1.5x;
- Additional work assignments can be accepted on a voluntary basis and will be paid at 1.5x premium for the time worked.

Guaranteed hours: Saskatoon Transit's current practice based on the spareboard rules is to guarantee 8 hours per day to as many spareboard operators as possible within their timeframes. Per our understanding from management, there is no guaranteed number of days per week assigned to the spareboard operators. Comparable municipalities' spareboard rules:

- Defined guaranteed hours as 40 hours pay to those spareboard operators who do not receive 40 work hours in any 1 week of the 2 week schedule. Premium hours do not count toward an operator's guarantee. If a spareboard operator has more than 2 days off in a week for any reason, their guarantee will be reduced accordingly by 8 hours for each day over the 2 days.
- Guaranteed a minimum of 40 hours of pay to spareboard operators in any five days per week at their basic rate. Operators will be paid a minimum of 8 hours a day, unless absent, at which point the operator will be deducted only the time he/she was absent. Guaranteed 8 hours on a daily basis Monday to Saturday and 7 hours on Sundays and statutory holidays. The guarantee of 8 hours is reduced for each hour the spareboard is not reporting to their duty or if the spareboard books time off, regardless of reason.

2) Areas where further definition and/or adjustments to the spareboard rules could have a moderate impact on efficiency

Defining spareboards: Comparable municipalities had the following in place:

- Defined spareboard operators as those who have signed up as spareboard operators and are assigned work described in an employer prepared two-week schedule of work and those who have not signed up for a two-week schedule but rather are assigned work on a daily basis.
- Policy for as small of a spareboard pool in place as practical, which guarantees a maximum amount of work for spare operators to ensure high utilization.

- Categorization of spareboard operators into day and night shifts, with spareboard rules indicating that spareboard operators consist of a group of operators maintained to do extra work such as filling temporary vacancies caused by illness, operating extra and unplanned work or the operation of charters.

Additional work: Saskatoon Transit's current practice based on the spareboard rules is that any operator assigned less than 7 hours and 31 minutes of work can be provided with additional work so long as the additional work is greater than 30 minutes. The request for additional work can be provided on a 45 minute notice (prior to that piece of work starting) however the spareboard operator has to respond within 15 minutes of being given the notice otherwise their guarantee is forfeited and they are only paid for the hours they worked. Comparable municipalities' spareboard rules state that no regular operator shall be required to do extra work after finishing the day's run if spare-board operators are available and that spareboard operators completing their day's work after 9 pm will not be booked to start the next day's work, a period of 8 hours after.

Extent of hours required: Saskatoon Transit's current practice based on the spareboard rules is that spareboard operators are guaranteed 8 hours of work and pay within a 13 hour window of commitment. Comparable municipalities' spareboard rules state:

- All spare board operators may be required to work a maximum of 8.5 hours per day and work shall be completed within 13 consecutive hours;
- The maximum work day will be 16 hours.

3) Areas where further definition and/or adjustments to the spareboard rules could have a low impact on efficiency

Seniority: Saskatoon Transit may wish to consider the practices of some other jurisdictions. Comparable municipalities' spareboard rules state:

- There is no seniority acquired by an employee during the first year of employment, after which the employee will accumulate seniority within their respective operator class (i.e. spareboard vs. regular vs. part-time etc.);
- Early day runs will be allotted such that the most senior spareboard operators are assigned the earliest finishing time;
- In the event of sickness or other causes of absence, the run will be offered on the basis of seniority to operators who are a part of the signed spareboard assignments.

Filling of temporary vacancies: Saskatoon Transit may wish to consider the practices of some other jurisdictions. A comparable municipality's spareboard rules state that temporary vacancies which cannot be covered by the spareboards will first be offered to the spareboards according to seniority. In the event of a permanent vacancy, which must be posted at the next two-week sign-up, the most senior spareboard operator, who is not already holding a permanent run, will be entitled to hold the vacant run until the next major sign-up.

Filling in absences: Saskatoon Transit may wish to consider the practices of some other jurisdictions. A comparable municipality's spareboard rules state that an attempt to fill an absent shift will be made by contacting service line employees on their days off to fill the shift. If this does not yield a successful outcome, transit management will fill the absent shift with a spareboard operator.

Refusal to sign-up/take on spareboard work: Although Saskatoon Transit's spareboard rules do not explicitly define the process of dealing with refusal of spareboard operators performing the duties assigned to them or signing-up for spareboard shifts entirely, comparative municipalities' spareboard rules state:

- A regular spareboard operator under 8 hours for the day cannot pass work in excess of 30 minutes pay time to any operator over 8 hours unless that spareboard operator can sign for 8 hours including PM reporting and;
- Any spareboard refusing to sign-up on the spareboard schedule will revert to a position on the spareboard to which his/her seniority entitles him/her to.

Uncommunicated absences: Although Saskatoon Transit's spareboard rules do not explicitly define how uncommunicated absences are dealt with, one comparable municipality's spareboard rules state that those operators who fail to advise the dispatcher's office of absence will have their next scheduled day's work filled from the spareboard pool covering that scheduled day's work.

4) Areas where further definition and/or adjustments to the spareboard rules would likely not impact efficiency

Run cancellations or changes: Saskatoon Transit's current practice based on the spareboard rules is that the piece of work assigned to a spareboard operator will not be changed unless the piece of work has been cancelled in part or full. In the event of partial or full cancellation of work, the spareboard operator may be assigned alternative work or standby time. If the operator was not informed of cancellation 45 minutes in advance and no alternative work is available, the spareboard operator will be paid 2 hours of call-in. If on the other hand, the work had already begun and cancellation occurred partially through the piece of work, the spareboard operator will be paid for the original time of work. Spareboard rules of comparable municipalities indicate:

- If at any time management decides to changes any spareboard shift, the spareboard will be given a minimum of 48 hours' notice of such change;
- A spareboard operator will be paid 2 hours of regular pay where he/she has been inadvertently assigned to a regular work assignment already assigned to a regular operator. When work for a spareboard operator is cancelled, dispatch will re-assign the spareboard operator. Dispatch must give 12 hours' notice and the new work assignment must be within 1 hour before or after the start time of the work assignment. If it is not possible to provide 12 hours' notice, the spareboard operator will be automatically assigned to unsigned show-up work.

Rest time: Saskatoon Transit's current practice based on the spareboard rules is that all operators will have a period of 8 consecutive hours of rest in a period of 24 hours or a day. Operator must be available for work even if it is immediately at the expiration of the rest period. IA noted that comparable municipalities had similar rules.

Sign-up process: Saskatoon Transit's current practices with respect to the sign-up process based on the spareboard rules are as follows:

- All runs posted by 5 pm Thursday, a week prior to the scheduled run and a spareboard may be voluntarily signed onto the run, by classification seniority;
- Spareboard operators that work for at least 4 days Monday to Friday may sign on to a run before 12 pm the Friday prior to the scheduled run; and
- It is the spareboard operator's responsibility to see if they have been assigned a run.

In contrast to this, a comparable municipality states that each operator will be entitled to sign up for a run in accordance with their seniority and all spareboard operators must sign by 10 am Friday. Another municipality's rules state that the employer shall post a schedule of all available work for spareboard operators at least 14 days prior to the two-week work schedule. The spareboard operator will indicate on a selection sheet their choices of the work available and the employer will assign the work in accordance with seniority at least 7 days prior to the 2 week work schedule. If a spareboard operator doesn't receive any shifts due to a lack of seniority, he/she will be assigned to the first available signed spare run and to unsigned spare runs thereafter.

Administrative Response and Timelines – PwC – Review of Saskatoon Transit Resources and Scheduling

Recommendation

That the report of the General Manager, Transportation & Utilities Department, dated May 1, 2017, be received as information.

Topic and Purpose

The purpose of this report is to provide an update to the PwC review of Saskatoon Transit Resources and Scheduling report.

Report Highlights

A summary is provided on the current status, next steps and timelines to the recommendations in the PwC review of Saskatoon Transit Resources and Scheduling report.

Strategic Goals

This report supports the Strategic Goals of a Culture of Continuous Improvement, Moving Around, and Asset and Financial Sustainability. Increasing efficiency and effectiveness in scheduling and staffing will ensure that Saskatoon Transit resources are utilized to provide an optimal service.

Background

A review of the Saskatoon Transit resource scheduling process was conducted by PwC in order to identify improvements with respect to how to efficiently utilize current technology and/or enhance current processes to minimize operating costs. The Statement of Work for this project was approved by the Standing Policy Committee on Finance in July 2016 and the first draft of the audit report was submitted to the Administration for review in November 2016.

Report

Attachment 1 provides an update on the current status, next steps and timelines for each of the eight recommendations in the PwC Review of Saskatoon Transit Resources and Scheduling report.

Since the time of the audit work, Saskatoon Transit has made substantial progress in several different areas noted within the PwC Report. First, advancement with long-term technology and Trapeze utilization plan has focused efforts and resources in order to continue to utilize software and technology to its fullest. In addition, the introduction of a Command Centre with CAD/AVL monitoring within the Operations Section has streamlined service requests and further deployment will support decisions for real time bus operations. This Command Centre will be expanding its duties as Saskatoon

Administrative Response and Timelines – PwC – Review of Saskatoon Transit Resources and Scheduling

Transit continues to refine processes as a result of relocating to the COC. Finally, Saskatoon Transit has continued the integration of the electronic farebox (BEA) and ITS (Trapeze) systems in order to increase data integrity. Progress made here will have a direct impact on the reporting tools used for routing and business decisions and will allow Saskatoon Transit to leverage the ridership data collected to determine areas within the transit system to improve or augment.

Other Considerations/Implications

There are no options, public and/or stakeholder involvement, communications, policy, financial, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

In addition to the various specific reports that will be brought forward on each item, a specific follow-up report on the status of all Audit recommendations will be brought forward in late 2017.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachment

1. Administration Response – Current Status, Next Steps and Timelines

Report Approval

Written by: Mike Moellenbeck, Operations Manager, Saskatoon Transit
Reviewed by: James McDonald, Director of Saskatoon Transit
Reviewed by: Nicole Garman, Director of Corporate Risk
Approved by: Jeff Jorgenson, General Manager, Transportation & Utilities Department

Finance MM - Administrative Response and Timelines - PwC - Review of Saskatoon Transit Resources and Scheduling

Administration Response – Current Status, Next Steps, and Timelines

	Recommendation	Response	Timeline for Full Implementation
1 a	We recommend that the administration establish a long-range technology implementation plan for existing Trapeze modules (including FX, OPS, COM, PASS and NOVUS) which outline short-term prioritized projects for each module with longer-term planning in a way that maximizes benefit across the entire authority. The implementation plan should also consider broad based risk factors and financial/operational implications.	Administration agrees with the recommendation. We have worked with IT Division to develop plans for how IT equipment, software (Trapeze, M5) and other modules used within Transit will be researched, purchased, phased in and replaced when/if the time comes. We intend to continue building the relationship with the IT Division to ensure that the City of Saskatoon is getting value for money.	By September 2017, a long-range implementation plan will be in place. It will become an annually updated plan, as Saskatoon Transit and IT Division are continually refining IT requirements and timelines in the interest of efficiency and effectiveness of service.
1 b	We recommend that the administration appoint in-house Trapeze champions to assist the Transit staff become well oriented with the system, particularly with respect to currently available but underutilised modules. These individuals will be the "go-to-person" for Trapeze related training and questions and serve as the liaison with the system provider.	Administration agrees with the recommendation and have been working with the individual sections within Saskatoon Transit to identify and train Champions for the various modules of Trapeze and M5.	Individual area champions will be selected, trained and in place by June 2018. There will be many in place prior to that but some of the additional modules are being activated in the fall of 2017.
1 c	We recommend that the administration develop a policy/user manual for Trapeze to assist in training and succession planning.	Administration agrees with the recommendation.	Individual sections will be responsible for confirming the duties required by Champions, as well as the new roles for the additional modules (i.e. workforce management). Vendor provided manuals will be used as foundational documents and augmented as required. This task will be completed by December 2018.
2	We recommend that the administration conduct a formal review of the dispatch process to determine dispatch workload and capacity, as well as, opportunities for efficiencies with the utilization of current software.	Administration agrees with the recommendation. We will work to further define mandate, structure and accountability in the Dispatch unit.	Formal review of the dispatch process will be completed by the end of 2017.
3 a	We recommend that the administration improve coordination and synchronization with Planning And Development. Creating transit-supportive communities relies on the continued effective coordination of Planning and Development and Saskatoon Transit so they are mutually supportive. When Saskatoon Transit and Planning and Development make decisions in isolation, it can lead to patterns of development that are difficult and inefficient to serve by Saskatoon Transit.	Administration agrees with the recommendation. More liaison has already started with Planning and Development and Transportation Divisions with the aim of ensuring that designs include transit needs from the start. When the Planning Engineer position is hired within Saskatoon Transit this should become even more of the norm rather than the exception.	This task will be completed by June 2017.
3 b	We recommend that the administration, in conjunction with Planning and Development, develop a standard or criteria to consider when exploring expansion and adjustment of transit services.	Administration agrees with the recommendation.	Timeline for this project will be developed in consultation with Transportation and Planning and Development Divisions. By October 2017 a framework process for neighbourhood transit service expansion will be developed.
3 c	We recommend that the administration finalize the establishment of service level guidelines which	Administration agrees with the recommendation.	There have been initial discussions with Planning and Development regarding just such a policy. A draft of this

Administration Response – Current Status, Next Steps, and Timelines

	describe items such as neighborhood density, stop locations and passenger loads.		policy will be developed by October 2017 based on industry best practice from other Canadian Municipalities.
3 d	We recommend that the administration track formal ridership data by route and stop.	Administration agrees with the recommendation and will continue to refine the data it collects to offer improved reporting abilities.	Saskatoon Transit will incorporate this information into the Annual Report for 2019, to be released in Spring 2020.
4	We recommend that the administration perform periodic reviews of ridership, usage, and on-time performance of the transit networks to assess their efficiency and effectiveness. At-least annually, Saskatoon Transit should determine the revenue-to-cost ratio of each route as well as ridership based on stops, neighborhood and time of day	Administration agrees with the recommendation.	Saskatoon Transit will incorporate this information into the Annual Report for 2018, to be released in Spring 2019.
5	We recommend that the administration establish methods to collect information required to assess performance and analyse whether progress is being made on the 5 year plan. Performance targets should be developed in alignment with Municipality Benchmarking Network Canada (MBNCanada) and Canadian Urban Transit Association (CUTA).	Administration agrees with the recommendation and will further expand on the yearly reporting it provides in its Annual Report.	Saskatoon Transit will incorporate this information into the Annual Report for 2017, to be released in Spring 2018.
6	We recommend that the administration utilize Trapeze to track and monitor service hours and determine the true cost of service per hour. More comprehensive data collection and analysis would enable Saskatoon Transit to better understand the cost and level of service being provided to citizens, thereby ensuring adequate funds are in place to effectively achieve the desired level of service.	Administration agrees with the recommendation.	Saskatoon Transit will incorporate this information into the Annual Report for 2018, to be released in Spring 2019.
7	We recommend that the administration review the Spareboard rules in accordance with the CBA.	Administration agrees with the recommendation.	Formal review of the Spareboard rules will be completed by the end of 2017.
8	We recommend Saskatoon Transit begin tracking and monitoring on-time performance using Trapeze with the intention of identifying the root cause of on-time and/or late trips. The data should be used to plan a course of action and presented in part with strategic decisions made to improve efficiency within their service delivery model.	Administration agrees with the recommendation.	Saskatoon Transit will incorporate this information into the Annual Report for 2018, to be released in Spring 2019.

Lease of Former Railway Spur Line to Shaw Cablesystems (Sask) Ltd. – Airport Business Area

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the Administration be authorized to remove the 6-month termination clause from the proposed lease between the City of Saskatoon and Shaw Cablesystems (Sask) Ltd. for a portion of Parcel A, Plan No. 75S10686, Extension 2;
2. That the Administration be authorized to consider and amend the 6-month termination clause if other lessees of Parcel A, Plan No. 75S10686 approach the City of Saskatoon wishing to make significant site improvements to the land; and
3. That the City Solicitor be requested to prepare the appropriate agreements, and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

Topic and Purpose

The purpose of this report is to receive City Council approval to remove the 6-month termination clause from the proposed lease agreement with Shaw Cablesystems (Sask) Ltd. (Shaw) on Parcel A, Plan No. 75S10686, and authorization for the Administration to revise the termination clause of other leases with other adjacent landowners along the spur line if significant improvements are being requested.

Report Highlight

1. Shaw would like to lease and make site improvements to a portion of City-owned land adjacent to their property, pending an amendment to the lease termination notice clause.

Strategic Goal

This report supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes under the Strategic Goal of Asset and Financial Sustainability.

Background

At its meeting of September 29, 2014, City Council approved the purchase of an abandoned spur line in the Airport Business Area from the Canadian National Railway Company. The abandoned spur line represents an assembled land corridor that is considered strategic for future transportation opportunities. There are no plans to develop the potential transportation corridor for several years into the future and the City has no immediate need for the lands.

With this in mind, at its meeting on May 24, 2016, City Council authorized the Administration to enter into interim lease agreements with property owners situated adjacent to the abandoned spur line. Significant lease terms approved by City Council include the following:

- Lease rates were to be at market value;
- 5-year lease term and 5-year option to renew; and
- 6-month termination clause.

Since May 24, 2016, the vast majority of the land along the abandoned spur line has been leased to adjacent property owners.

Report

During negotiations with Shaw regarding leasing a portion of the abandoned railway corridor adjacent to their property, it was determined that Shaw is not in a position to accept a 6-month lease termination clause given the approximate \$30,000 in site upgrades it has planned for the land to facilitate expanded parking and storage.

The Administration is requesting approval to be authorized to remove the 6-month termination clause from the lease with Shaw for the first 5-year term of the agreement. Any subsequent renewals past the initial 5-year term of the lease would have a termination clause included in the agreement. This amendment would be made available upon request to any of the tenants in this area who have already signed lease agreements with the City and wish to make similar site improvements to the land.

If approved, Shaw will be leasing a portion of Parcel A, Plan No. 75S10686, Extension 2 next to its property at 2326 Hanselman Avenue in the Airport Business Area (Attachment 1).

Options to the Recommendation

City Council could choose not to approve the removal of the 6-month termination clause. Under this option, it is likely that the property would not be leased and would remain vacant.

Public and/or Stakeholder Involvement

Adjacent property owners were contacted to discuss the potential future uses of this land.

Financial Implications

Yearly revenues from this lease would be approximately \$5,000 per year, which would be deposited into the City's General Revenue Fund.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations, and a communication plan is not required.

Due Date for Follow-up and/or Project Completion

If approved, the Administration would immediately finalize the lease negotiations with Shaw for this portion of the abandoned rail spur line.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

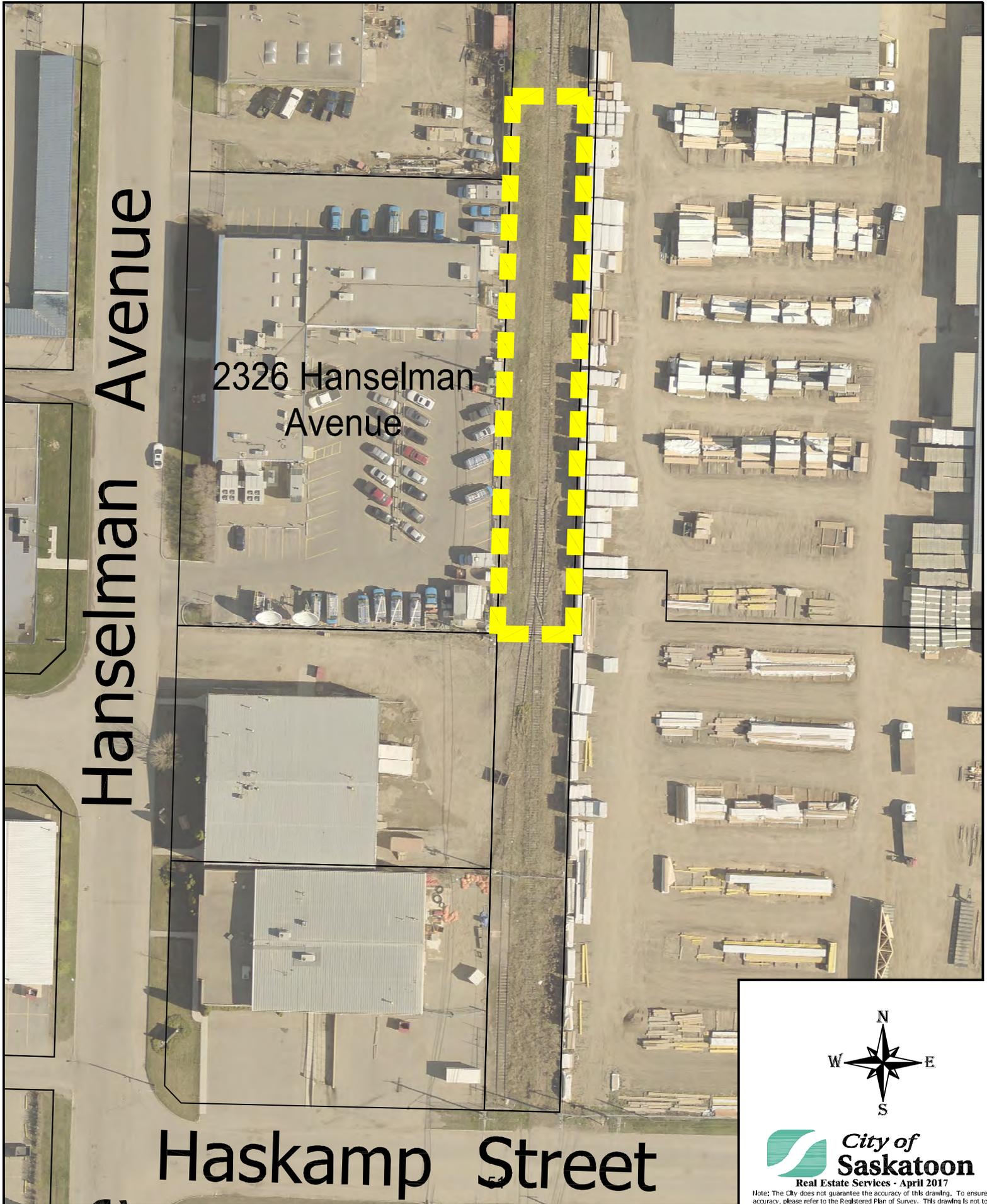
Attachment

1. Shaw Lease Location Map

Report Approval

Written by: Jackie Boyle, Property Coordinator, Real Estate Services
Reviewed by: Keith Pfeil, Manager, Real Estate Services
Frank Long, Director of Saskatoon Land
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial
Management Department

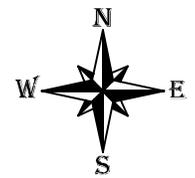
Spur Line Lease_Shaw Cable.docx



Hanselman Avenue

2326 Hanselman Avenue

Haskamp Street



 **City of Saskatoon**
Real Estate Services - April 2017

Note: The City does not guarantee the accuracy of this drawing. To ensure accuracy, please refer to the Registered Plan of Survey. This drawing is not to scale. Distances are in metres unless shown otherwise. Do not scale.

River Landing Land Sale and Lease Update

Recommendation

That the report of the General Manager, Corporate Performance Department, dated May 1, 2017, be forwarded to City Council for information.

Topic and Purpose

This report provides an update of River Landing Phase II in regard to the future sale and lease of the remaining City-owned parcels.

Report Highlights

1. There are two remaining City-owned land parcels (Parcel D/E, and Parcel BB) yet to be offered for sale. The Administration proposes to re-subdivide both Parcel D and E, sell Parcel D in late 2017/early 2018 through a public offering, and hold onto Parcel E pending the Zayo Canada Ltd. (formerly Allstream) lease and development around it. Parcel BB will be sold once development is well underway on Parcel D (i.e. two years later).
2. An Expression of Interest is proposed to be issued in 2018 (pending market conditions) for the Pumphouse, a restaurant/bistro-type enterprise.

Strategic Goals

As a cultural and recreational centre, River Landing is the one and only urban destination identified in the 100-Year Plan for the Meewasin Valley and invites citizens and visitors alike to enjoy the natural beauty and benefits of parks, trails, and other amenities that bring people together. River Landing supports the long-term Strategic Goal of Quality of Life by ensuring existing recreational facilities are accessible physically and financially and meet community needs. It also contributes to the long-term strategy to increase and encourage infill development to balance growth under the Strategic Goal of Sustainable Growth.

Background

There are two remaining City-owned land parcels (Parcel D/E and Parcel BB) in River Landing yet to be offered for sale. These are shown on Attachment 1. Their release has been timed so there is no negative impact to the other developments happening in River Landing, as well as being sensitive to market conditions.

Report

Update on Private Land Development

The Banks was constructed by LeFevre & Company on the parcel west of the Saskatoon Farmers' Market, with completion in spring 2016. The development is comprised of four buildings, with commercial/retail at grade, residential above, and an inner courtyard/mews. A large majority of the condos have been sold, and one of the commercial spaces has been sold.

Parcel YY is the site at the southeast corner of 19th Street and 2nd Avenue. Victory Majors Investments Corp. in partnership with Greystone Managed Investments Inc. are working with Triovest as the development manager, to deliver a mixed use development. Construction started in fall 2016 on the condominium development at the site in partnership with Urban Capital, with occupancy planned for spring 2019. The other phases of construction involve a hotel, office towers, and public plaza. Property tax abatements have been granted for the condo, office buildings, parking, and public plaza.

Release of Remaining City-Owned Land Parcels

The City has created strong conditions for favourable private investment by improving the public realm of the area to a high standard. To further facilitate the success of private infill development within River Landing, the City has timed the release of development parcels and lease opportunities with sensitivity to current market conditions and the surrounding development.

Parcel D/E is zoned for mixed-use (up to a maximum of 30 storeys) with opportunities for a hotel, office and commercial space, restaurants, and residences. The Administration plans to subdivide Parcel D/E into two separate properties; this subdivision would improve the configuration and salability of the parcels, while also addressing lease considerations with Zayo Canada (the City's tenant in the white building at the corner of Avenue A and 19th Street). Attachment 2 outlines the proposed subdivision plan.

The Administration proposes to sell Parcel D in late 2017/early 2018, pending market conditions and hold on to Parcel E pending the Zayo lease, which expires at the end of 2019. Strategic timing of the release of Parcel D will help to ensure a successful project while attaining maximum value for the property. While the current real estate market is quite soft, it is expected confidence and momentum in the area will build once construction of Parcel YY is visible above grade, the Remai Modern Art Gallery is open, and The Banks is fully occupied with residential and commercial tenants.

Parcel E will remain in City hands for now as the Zayo lease does not expire until the end of 2019. Prior to 2019, the Administration will be exploring redevelopment options for the parcel that include opportunities such as additional parking and whether or not to retain ownership of the building.

In addition, the timing and impact of the upcoming rehabilitation of the adjacent Senator Sid Buckwold Bridge will be monitored to ensure public and private construction efforts in the area are coordinated.

The sale of Parcel BB, south of the Farmers' Market, will proceed approximately two years later once development on Parcel D has been established.

Lease Opportunity

The Pumphouse is the former A.L. Cole Pumphouse at the corner of Spadina Crescent and Avenue A and extending down to the riverfront, which has been refurbished as part of the River Landing Concept Plan. The Administration is currently creating the proposed terms for the lease of The Pumphouse for use as a year-round bistro/restaurant, again pending market conditions and the sale of Parcel D in order to ensure a successful offering.

In addition, the future Feature Building RFP has been put on hold due to construction of Parcel YY and the Traffic Bridge. Following completion of the Traffic Bridge construction, the Administration recommends seeking direction on whether or not to still pursue the Feature Building concept, and if so, whether to prepare a funding plan or test the development community again for this site. Other leasing activities are outlined in Attachment 3.

Adding Parking to River Landing (Phase II)

The new subdivision plan (Attachment 2) provides an opportunity to create an additional surface parking lot, accessible on the west side of the Senator Sid Buckwold Bridge. The Administration will explore the business case for such an opportunity.

Status of River Landing Development

Attachment 4 provides an update on how the current River Landing development has followed the 2004 River Landing Concept Plan, and what elements remain to be completed.

Financial Implications

River Landing relies on property tax from buildings within the site to help fund its operations (in addition to parking and lease revenues), thus financial projections assume that the other land parcels are sold based on the timing identified in this report, thereby ensuring a predictable flow of property tax revenue. Incentives such as property tax abatements have an impact on the time it takes for River Landing to achieve self-sufficiency. Significant changes have occurred since the last financial projection was completed, and will be recalculated once more details are known (i.e. building permit applications are received) regarding current construction.

Other Considerations/Implications

There are no policy, environmental, privacy or CPTED implications or considerations and a communications plan is not required.

Due Date for Follow-up and/or Project Completion

Reports on the terms for sale and lease of the remaining City-owned properties will be brought back to the Standing Policy Committee on Finance for review prior to offerings being issued. The first report (sale of Parcel D) may be brought forward to the Standing Policy Committee on Finance as early as September 2017. As market conditions are in fluctuation, the Administration is taking a conservative approach to the parcel release timing and may defer to 2018 based on market observations in the Fall. A report on the

potential to create additional public parking west of the Senator Sid Buckwold Bridge will also be provided if the business case is positive. The Administration continues to amend financial projections as new information is made available about private development. Updated information will be provided for the multiyear business planning and 2018 budget deliberations.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, will be required for the proposed land sale and lease offerings. Notice provisions will be outlined in the reports outlining the terms of these offerings.

Attachments

1. Map of River Landing
2. Proposed Subdivision Plan
3. River Landing Leasing Activities
4. River Landing Update 2017

Report Approval

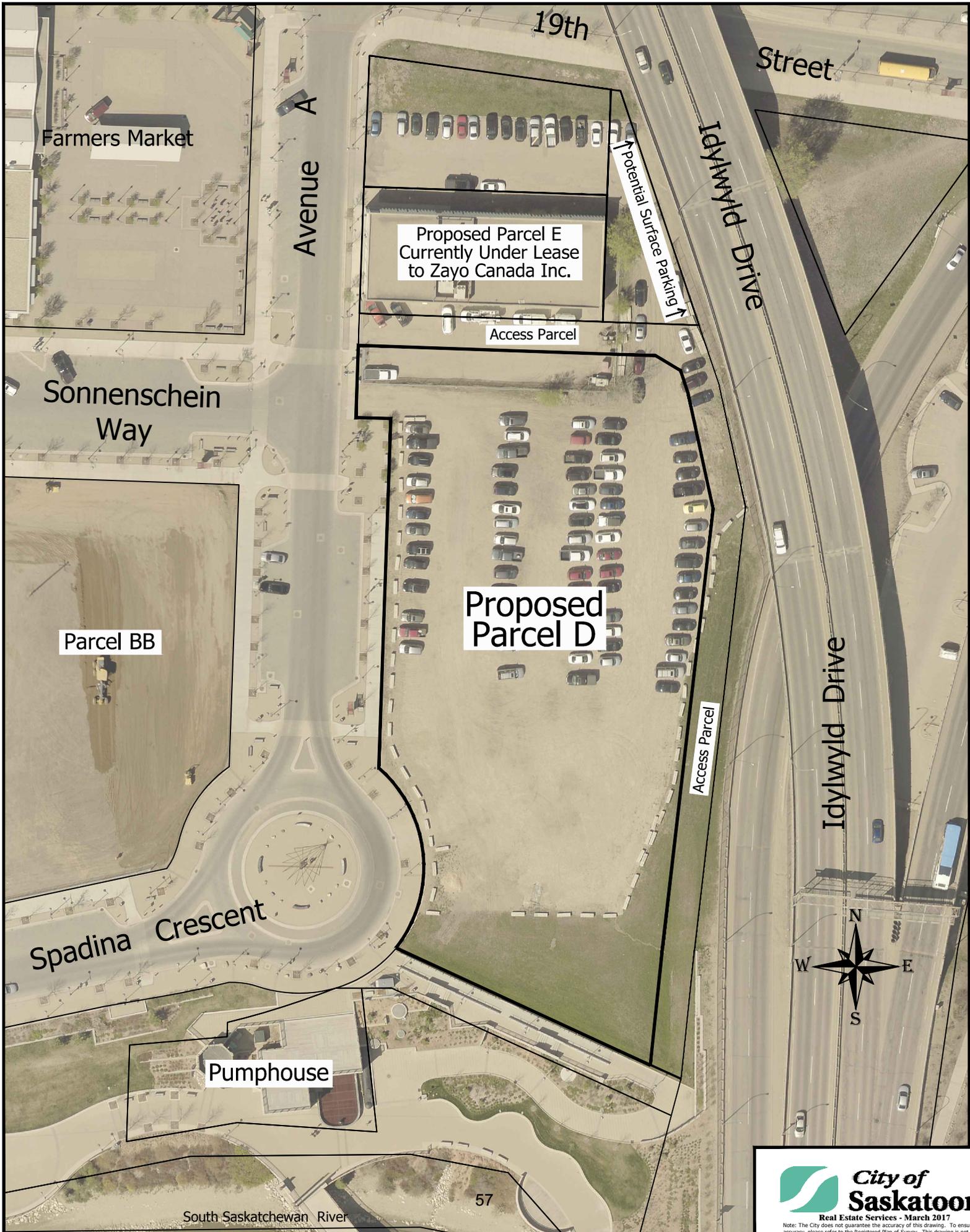
Written by: Jill Cope, Project Manager, Environmental and Corporate Initiatives
Reviewed by: Brenda Wallace, Director, Environmental and Corporate Initiatives
Frank Long, Director, Saskatoon Land
Kerry Tarasoff, CFO/General Manager, Asset and Financial Management
Approved by: Catherine Gryba, General Manager, Corporate Performance Department

River Landing Land Sale and Lease Update.docx

River Landing Map



Proposed Subdivision Plan



Current Lease Tenants

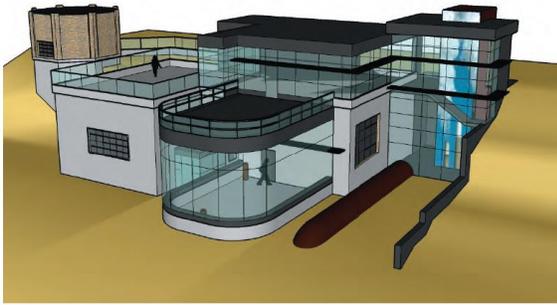
Saskatoon Farmers' Market — The Saskatoon Farmers' Market (FM) moved into this permanent, year-round location in 2007. The building is the converted City Electrical garage/storage building. The Farmers' Market lease was renewed in 2014 for another five-year term. The Farmer' Market pays all property taxes, utilities, and pays into the Civic Building Comprehensive Maintenance (CBCM) reserve. The farmers hold a market three days a week and permanent food/restaurant vendors are open six days a week. The Farmers' Market reports increased revenues for its farmers and increased attendance. Their demographics have changed over the past few years, with younger families now coming later and staying later. In addition, their Sunday markets have increased in popularity, as well as bookings of the space for special events, such a weddings and chef's dinners. They are exploring new ideas to increase attendance and make the market even more attractive.

Ideas Inc. — Ideas Inc. is a business incubator which shares the building and site. The lease with Ideas Inc. was renewed in 2012 for a five-year term, and they are seeking renewal in 2017. Ideas Inc. has a declining property tax abatement, which ends in 2017; they are now contributing to the CBCM reserve (they did not make either tax or reserve payments until their new lease began). Ideas Inc. have re-modeled their approach to helping start-ups, and focus on space, coaching, and mentorship. The space has achieved 100% occupancy with 37 businesses, with a waiting list.

Pavilion Building — is the seasonal concession located beside the Water Play Feature. The concession serves a variety of food such as burgers, ice cream treats and bars, healthy food choices, pop and juices, chips, popcorn, and speciality coffees. It operates 11 a.m. – 8 p.m. daily, and accommodates special events in the area as well.

Future Lease Opportunities

The Pumphouse — (the former A.L. Cole Pumphouse) has been refurbished and an Expression of Interest (EOI) is planned in 2018 (pending market conditions) for long-term use as a year-round bistro/restaurant. The City anticipates a positive response to a future offer to lease as this is a prime location on the riverbank. In addition, within the last three years, the City has received numerous inquiries from local, national, and international interested parties. While the building is well preserved and architecturally striking, the actually useable space is not as large as it appears, and the building contains no amenities (washrooms, kitchen, etc). There will need to be significant leasehold improvements undertaken to make it into a restaurant. Concepts have also been developed and approved in principle for an expansion to the facility by a future tenant.



Concept rendering of potential expansion of The Pumphouse by possible future tenants.

Feature Building – Is a future site on the south side of Spadina Crescent that is approximately 0.312 acres in size. The South Downtown Riverfront Design Report (2003) called for a feature building to be constructed just west of the Traffic Bridge, which would include development on the upper bank area and extending down to the riverfront promenade. The plan calls for the construction of a signature building to house a distinctive restaurant as the main tenant on the upper level and a smaller space on the riverfront for recreational tours/sport equipment rental. This lower area is seasonal, as the area is within the 500-year flood plain and “permanent” types of operations are not allowed.

A Request for Proposal (RFP) was issued in 2008 to test the market readiness for a developer to construct and lease the upper site on a long term basis (50 years), and construct and lease the lower portion back to the City for a seasonal lease opportunity. There were no responses to the RFP, and the project was put on hold. As well, at that time construction was anticipated on Parcel YY and the Traffic Bridge had been closed. There is no capital funding identified for the construction of the Feature Building. Following completion of the Traffic Bridge construction, the Administration recommends seeking direction on whether or not to still pursue the Feature Building concept, and if so, whether to prepare a funding plan or test the development community again for this site.



Concept rendering of the Feature Building



River Landing Update 2017

Concept Plan – 2004 to 2017: Where Are We At?

Overview

As a cultural and recreational centre, River Landing is the one and only urban destination identified in the 100-Year Plan for the Meewasin Valley and invites citizens and visitors alike to enjoy the natural beauty and benefits of parks, trails, and other amenities that bring people together.

The 36-acre riverfront development (stretching from 19th Street to the river, and from 3rd Avenue to Avenue C) is a mixed use space of beautiful parks, riverfront trails, a new art gallery, a live performance theatre, a farmers' market, business incubator, seasonal concession, restaurants, and commercial, retail, future hotel, and residential developments. These and other amenities draw thousands of visitors and residents each year to River Landing. On average over 360,000 pedestrians and cyclists visit or pass through the area annually. In addition, there are numerous festivals, races, special events, weddings, and dance classes in the vicinity each year (in 2016, there were 259 events held in River Landing).

In 2004, a concept plan for the south downtown (later named River Landing) was created after many rounds of community consultation and input from numerous groups and organizations, and officially approved by City Council as the blueprint for the site.

The concept plan was designed to provide a framework for the redevelopment of the south downtown area. The plan contained 12 planning principles and eight key elements to meet them. Here is a summary of the eight key elements and how they have been achieved since construction started in 2004.

1. Landmarks

Many cities have landmark structures that are symbols for the community. River Landing has three landmarks—*Prairie Wind* (roundabout at 2nd Avenue and Spadina Crescent); *The Founders* (roundabout at 3rd Avenue and Spadina); and *Spirit of Alliance* (roundabout at Avenue A and Spadina). (The concept plan also suggested a landmark at the western edge of the cultural block, which is now the Remai Modern Art Gallery, one could say the Gallery itself has become the landmark.)

2. Strengthen Connections and Access

The south downtown had poor visual, vehicle, pedestrian, bicycle connections and access. To fully integrate River Landing with Riversdale and the Downtown and to make the area a successful destination, the connections were improved.

- The City removed the old rail bridge over 19th Street, created a new east-west walkway on the south side of the street, and raised the street level of 19th Street. (The concept plan also suggested a pedestrian bridge over the 1st Avenue on-ramp, but it was not realized, due to costs and infrastructure challenges.)
- New north-south connections were created to join 2nd Avenue all the way to Spadina Crescent, and, as well, Avenue A, B and C were extended to Spadina; Spadina itself was also extended east-west.
- Riverfront paths and pedestrian bridges were created, including enlarging the pathway under the Senator Sid Buckwold Bridge, as well as constructing numerous lookouts over the river. These changes provided a closer relationship between pedestrians and cyclists to the water, enabling them to travel over water and provide a contrasting experience with the conventional paths along the river.
- When the new Traffic Bridge is completed, it will also strengthen connections and be a conduit for motorists, cyclists, and pedestrians leading directly to River Landing.

3. Mix of Land Uses

A mix of land uses was essential to meeting the planning principles and to be a destination for residents and tourists, creating an interesting and vibrant area that would be alive all seasons, all day long.

- Housing - The Banks has four buildings of low rise condos, with retail/commercial spaces at grade and opportunities for live-work spaces. Parcel YY proposes a hotel and condominium development (plus office towers). The two parcels of land coming up for sale also propose residential (Parcel D with high rise residential and retail at grade; Parcel BB low to mid rise residential, again with commercial retail at grade). The concept plan also suggested a library at street level, but there is now the Dr. Freda Ahenakew Branch Library nearby.
- Hotel and Restaurant - Parcel YY proposes a boutique hotel. Parcel D potentially could have both a hotel and restaurant. Two restaurants are located along 2nd Avenue with smaller ones in the Farmer's Market. There is also the seasonal concession (Pavilion Building) in the riverfront park (which includes public washrooms). The Remai Modern also proposes to have a restaurant within the Gallery. The concept plan also called for the Feature Building (future) to have food service along Spadina Crescent, with a seasonal sports rental down at the riverfront.

- Cultural, Theatre, Attraction, Interpretive and Public Space - Many examples of these elements are achieved in River Landing; a live performance theatre with Persephone Theatre, the new Remai Modern Art Gallery, and the two riverfront outdoor amphitheatres for public use. The concept plan suggested an interpretive centre/visitor centre located where the new Remai Modern is situated; the plan also called for a public space on the south side of that parcel with inside/outside seating and haven to warm-up in the winter—the Remai Modern achieves those objectives with its public spaces.
- Retail, Brew Pub/Restaurant, and Cafes - There are small scale food vendors and cafes within the Farmer's Market, a larger café on 2nd Avenue, and the proposed lease of The Pumphouse envisions a restaurant/bistro /brewpub-type of enterprise.
- Parks - The plan called for the creation of three parks, and they were all achieved. There are two riverfront parks, as well as Isinger Park with a children's play area and equipment. In addition, there is the Adult Fitness Circuit in the riverfront park consisting of a variety of cardio, strength, and resistance equipment for a workout any time of the year overlooking the beautiful river view. There are also temporary boat docks in the riverfront parks. The plan also suggested a boat launch, and Meewasin is undertaking a review of possible sites along the riverbank.

NOTE: When the Riverfront Park in Phase II was created, significant soil contamination was discovered throughout the site (contamination from previous site uses by the railway, the former powerplant, and old practises of dumping materials along the riverbank). The City spent considerable time and money testing, excavating, safely disposing, and covering with clean soil to ensure the park was brought up to the rigorous environmental standards, and would be safe for the community to enjoy. The remediation has been recognized nationally as a best practice.

- Farmers Market, Market Square, and Business Incubator – In 2008, both the Saskatoon Farmer's Market and Ideas Inc. opened in their new location; a refurbished and expanded old City electrical building. Market Square is available for the market vendors, as well as public bookings for events and festivals.
- Transit and Parking - For River Landing to flourish it must be accessible by vehicle and transit. On-street parking spots were created: 119 on-street parking spots in Phase I, and 198 in Phase II. Two temporary off-street lots also provide parking in Phase II. The Administration is exploring opportunities to develop additional parking on the west side of the Senator Sid Buckwold Bridge. The new River Landing Parkade with 154 spots under the Remai Modern is planned to open in spring 2017. The private developments in River Landing will also provide their own tenant parking. There are also bike racks throughout River Landing and in the River Landing Parkade. There is a Transit stop on 19th Street, and as

River Landing becomes more of a destination and people place, the Administration will need to explore improved Transit availability.

- Existing Electrical Substation and Sewage Pumping Station - These existing facilities were not preferred uses in River landing. Therefore, a visually appealing wall and landscaping were built around the substation to help mitigate noise and visual impact. The pumping station building above ground was removed and landscaping elements incorporated in its place; only the shaft remains as an access point in an emergency overflow situation.

4. The Riverfront as a Stage

One of the major concepts of River Landing is that the whole area functions as major setting for special events. The area can be viewed as a “stage” or “stages” to host a wide variety of events. Spadina Crescent (and other streets) can be closed to accommodate festivals, markets, and concerts.

There are two amphitheatres in River Landing, one on each side of the Senator Sid Buckwold Bridge, that are used for outdoor concerts, dance lessons, weddings, etc. In addition, numerous special events, such as the Fireworks Festival, are specially designed to use River Landing and the river as a backdrop to the fireworks. Another example of creatively using the river is the “I Am the Bridge” annual Culture Days event; it shows films under the Senator Sid Buckwold Bridge by projecting the films on one of the bridge piers and the audience sits on cushions or chairs watching from the path.

5. Ambient and Special Event Lighting

Lighting plays many roles in River Landing and it assists in making the area a destination late into the evening for all seasons.

Illuminated bollards through River Landing provide lighting for safety and mood after dark. Overhead decorative pathway lighting also provide safe and welcoming vistas. The *Prairie Wind* sculpture is illuminated at night, with colours themed to reflect various seasons. Though not specifically mentioned in the plan, there are decorative banners on the light poles in River Landing, demarking the space as well as promoting upcoming events and facilities in a festive way. The plan suggested illuminating the Traffic Bridge, which did occur, but that lighting was decommissioned when the Bridge was removed; the new Traffic Bridge will have walkway, traffic, and navigation lights.

6. Heritage and Environmental Interpretation

The plan drew on the rich history of the area and the need to remember and celebrate it.

- First Nations culture is woven throughout the site, including *The Founders* statue, commemorating the meeting of John Lake and Chief Whitecap along the riverbank. The statue was commissioned to tell the story of the pivotal meeting between these two leaders, which led to the founding of Saskatoon.
- *Land of Berries* is a neon light sculpture on the exterior of Persephone Theatre. The artist collaborated with local First Nations artists to create the piece. The neon sculpture is Cyrillic script to represent *Land of Berries* in the Cree language.

- The most recent addition to River Landing was the *Spirit of Alliance - War of 1812* monument, which was envisioned, commissioned, and funded by Chief Bear and the Whitecap Dakota First Nation, to recognize the War of 1812 Bicentennial, how the Dakota came to reside in the area, and to commemorate the alliance between the British Crown, the Dakota, and others,
- The River Landing Tree Grate Design and Input Process won the 2007 Premier's Award of Excellence in Design in the Collaborative Category. The City and First Nation Elders partnered to produce one-of-a-kind tree grates that celebrate the rich oral history of our First Nations. Eight separate tree grate designs were produced based on four themes: Home, Stories, Play, and Ceremony.
- Site-specific tree grates are also placed around the site of the former A.L. Cole power plant, depicting concepts of power and electricity. A restored winch (with interpretive plaque) salvaged from the power plant's pump house also enhances the area's history.
- *Cut Out of Time* depicts the waterway history along the South Saskatchewan River, (including Saskatoon's first and only marine disaster, the crash of the SS Medicine Hat); and *Launch Time*, simulates the launching of a canoe into the river.
- Situated on either side of 2nd Avenue and 19th Street are the Gathercole Arches, marking one of the entrances to River Landing. The arches were created using masonry units salvaged from the entrance façade of the former Gathercole building.
- In memoriam of the long-serving artistic director at Persephone Theatre (Tibor Feheregyhazi), a small public plaza (Tibor Plaza) was constructed beside the Theatre in River Landing. Salvaged bricks and Tindal stone caps from the former Gathercole building were used to make seating walls, and trolley track cobblestones (salvaged nearby) were used to pave the accent bands.
- Market Square includes a unique and fascinating interpretative feature that highlights the history of the former Immigration Hall that once was located on the site. The "Market Square Storytelling Chairs" are a series of stainless steel chairs that have images and vignettes of life at the Hall.
- Commemorating the hard work of Saskatchewan's pioneer women is the public art piece *Egg Money*, situated just south of the Farmer's Market. Many pioneer women supplemented the family income by selling eggs, and this statue depicts a mother and her children with the chickens - a very popular piece with young children who love to pet the chickens.
- The interactive children's Saskatchewan River Basin Water Play Feature is a model of the 420,000 square kilometres of the Saskatchewan River Basin that

spans three Canadian provinces and one American state. It provides children, adults, and visitors to Saskatoon with a critical sense of place, highlighting the geological features, flora and fauna, and cultural history of our river. Over 100 treasures await to be discovered - all embedded in the water play feature - cities, forts, land borders, animal tracks and footprints, plants, symbols, fish, fossils, license plates, and even a giant sturgeon!

- An interesting interpretive feature along the riverfront path in Phase II is the outline of the original shoreline shown in historic cobblestone bricks. The distinctive brick work delineates what the shoreline was prior to the River Landing development and shows how the shoreline was enlarged to incorporate more pathway and amenities.

7. Streetscape and Public Art

The plan involved planning and constructing a whole new series of streets in both sides of River Landing. The plan wanted to create as strong sense of place and produce a pedestrian-friendly atmosphere while still allowing slow-speed vehicular circulation through the area to provide access to individual properties and to the riverfront parks. The paving stones identify the street as a pedestrian priority zone and also slows traffic down.

In some areas, the sidewalks are wider than regular sidewalks to accommodate more pedestrians and sidewalk amenity space. The curbs are rounded to accommodate easy access by persons using wheelchairs, strollers, or other wheeled devices. Power and water access are provided at strategic locations to accommodate special events. The amenity strips feature streetscape furniture, such as garbage cans, bike racks, wayfinding directory, bollards, and tree grates. The benches in River Landing are made of out of Forest Stewardship Council certified Ipe wood harvested in an environmentally-friendly way and are extremely durable - resistant to vandalism and harsh weather elements.

River Landing also had its own palette of colours selected in order to brand the site as distinctive - titanium grey throughout with burgundy red accents used on features such as fencing, light poles, bollards, and railings in order to reinforce the site as a unique zone.

Approximately 200 trees were added to the sidewalks in River Landing, in addition to the trees in the new parks. Sparkle lights will be added to the trees when they are more mature, in order to provide a warm festive atmosphere year round. In addition to the beautiful flowers beds that are planted annually, River Landing also has large seasonal flowerpots that are planted every year, again adding to the color and vibrancy of the area. Native plantings, grasses, and shrubs were all carefully selected to enhance the landscaping of the area.

A whimsical feature projects up in Phase II by the Pump house - large poles with a stylized graphic of a rabbit on top (similar to a gargoyle on top of buildings). The poles can be seen by people at street level to draw them down to see what other surprises and delights await them along the riverfront paths.

Public art is a popular aspect of Saskatoon and both permanent and temporary art are incorporated into the area. In addition to all the features noted in Element 6, other public art abounds, including:

- *The Cougar* sculpture to surprise and delight people along 19th Street, and as the artist states "...to keeping thinking about living in harmony with the wildlife in and around the city."
- *Prairie Wind*—located at the roundabout at 2nd Avenue and Spadina Crescent was the result of a national call for entries. It represents the waving prairie grasses in the wind, and is also illuminated at night.
- *Forging the Future* sculpture across from the Farmer's Market, created "in recognition of the blacksmith's contribution to all the small communities in Saskatchewan as it developed into a province."
- The *Fire Vessel* is a stunning art piece by the Pavilion Building, created as a legacy for the 2010 Olympic Torch Relay when it passed through Saskatoon. This piece has a natural gas flame, which can be booked during all four seasons of the year. The fire pit area has a seating node for all age groups to gather and enjoy at any time of day.
- Temporary art under the Senator Sid Buckwold Bridge (first with the very popular and interactive blackboard "Before I Die" wall; now the whimsical mural *River Reflection*).

8. Controlling Development and Design

River Landing is special and prominent, and both City Council and the community wish to ensure that the land use, design, and form of the development that occurs is consistent with the intent of the plan.

As a result, there are special zoning and architectural controls for River Landing. There are the Direct Control District 1 Guidelines, which govern such areas as land uses, building form, height, landscaping, parking, and service access. River Landing also has Architectural Control District Guidelines, to address proportion, scale, massing, colour and relationship to the street. Every new proposed development undergoes development review both by the City and Meewasin.

SW Corner of Idylwyld Drive and 33rd Street – Retro Petro Land Acquisition for Future Intersection Improvements

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the Administration be authorized to purchase a portion of Surface Parcel No. 120012376 from 626052 Saskatchewan Ltd. for future intersection improvements as per the details noted in this report;
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal; and
3. That the Dedicated Roadway Reserve be used as the funding source for this acquisition, including legal, administrative, and disbursement costs.

Topic and Purpose

The purpose of this report is to receive City Council approval to purchase 720 square feet of land at 1135 Idylwyld Drive, Lot 42 Blk 29, Surface Parcel No. 120012376 from 626052 Saskatchewan Ltd. (Retro Petro) for future improvements to the Idylwyld Drive and 33rd Street intersection.

Report Highlights

1. The land will allow for a future bus lay-by on the southbound side of Idylwyld Drive which is outlined in the Growth Plan.
2. Notable terms of the agreement include a purchase price of \$28,800 and a leaseback of the land to Retro Petro for a period of not less than 10 years.

Strategic Goal

The Growth Plan supports the long-term strategy of optimizing the flow of people and goods in and around the city under the Strategic Goal of Moving Around.

Background

Retro Petro, located in the southwest corner of 33rd Street and Idylwyld Drive, is owned by Thunderchild First Nation, who are working towards an urban reserve designation for the site. Part of the provincial review process for urban reserve creation involves a review of the municipality to identify items such as road widening that would be required in the future and addressing those matters pre-designation.

The Growth Plan identifies the segment of Idylwyld Drive as a future Bus Rapid Transit (BRT) corridor.

Report

Land will allow for future bus lay-by on Idylwyld Drive

SW Corner of Idylwyld Drive and 33rd Street - Retro Petro Land Acquisition for Future Intersection Improvements

As support of a future BRT route on Idylwyld Drive, a bus lay-by on the southbound side of Idylwyld Drive has been identified. The 720 square feet of land will become part of the Idylwyld Drive right of way.

Given the direction of the Growth Plan, purchasing the 720 square feet of land as shown in Attachment 1 from Retro Petro is required at this time to address future needs.

Terms of the Agreement

Real Estate Services has negotiated an agreement with Retro Petro to acquire 720 square feet of land from 1135 Idylwyld Drive. Notable terms of the sale agreement are as follows:

Conditions Precedent:

- City Council approval.
- Retro Petro providing the City with a Corrective Action Plan for the land being purchased and that Plan being acceptable to the City.
- Completion of the subdivision process.

Other notable terms:

- Purchase price of \$28,800 to be paid on the closing date.
- Closing date upon successful subdivision and registration of the land at ISC.
- Acting reasonably—the City will reimburse Retro Petro for any costs resulting from the relocation of the sign, tank vents and any monitoring wells as made necessary by the intersection upgrades.
- Leaseback of the land to Retro Petro for a period of not less than 10 years for a rate of \$1.
- City will not undergo any intersection improvements to the land being acquired for a period of not less than 10 years.
- The City agrees to accept the environmental responsibility of the land being acquired and will ensure the land is maintained to the requirements of *The Environmental Management and Protection Act, 2010*.

Options to the Recommendation

City Council could choose to not approve this purchase. This is not recommended as this land is required for future intersection modifications to support BRT. Acquiring the land post urban reserve designation is difficult.

Public and/or Stakeholder Involvement

As this proposed land transaction has a number of corporate considerations, the following Departments and Divisions been involved to ensure integrated collaboration: City Solicitors, Transportation, Environmental and Corporate Initiatives and Real Estate Services.

Financial Implications

The City will pay \$28,800 in compensation to Retro Petro and will reimburse any costs resulting from the relocation of the sign, tank vents and any monitoring wells—as made

SW Corner of Idylwyld Drive and 33rd Street - Retro Petro Land Acquisition for Future Intersection Improvements

necessary by the intersection upgrades—acting reasonably. The City will also be responsible for survey and ISC fees.

Funding for this acquisition and associated costs is available in the Dedicated Roadway Reserve.

Environmental Implications

Given the history of this site as a gas station, a number of environmental considerations are being incorporated into the proposed sale agreement to deal with the concentrations of petroleum hydrocarbon impacted soils that exceed Ministry of Environment soil criteria—such environmental considerations include:

- The City accepts the land “as is”.
- The City agrees to accept the environmental responsibility of the 720 square feet of land being proposed for acquisition and will ensure the land is maintained to the requirements of *The Environmental Management and Protection Act, 2010*.
- Retro Petro will provide the City with a Corrective Action Plan with respect to the 720 square feet of land being proposed for acquisition which will satisfy the requirements of *The Environmental Management and Protection Act, 2010*.

Other Considerations/Implications

There are no communications, policy, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

The land purchase dealings will be concluded once a Plan of Survey has been registered at ISC and titles have been raised.

Improvements to the intersection of Idylwyld Drive and 33rd Street will be part of a budget that will be approved by Council at a later date.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachment

1. Land and Items Subject to the Agreement

Report Approvals

Written by: Scott McCaig, Real Estate Services

Written by: Jay Magus, Transportation

Reviewed by: Angela Gardiner, Director of Transportation, Transportation and Utilities

Reviewed by: Miguel Gaudet, Project Engineer, Enviro & Corp Initiatives

Reviewed by: Keith Pfeil, Manager, Real Estate Services

Reviewed by: Frank Long, Director of Saskatoon Land

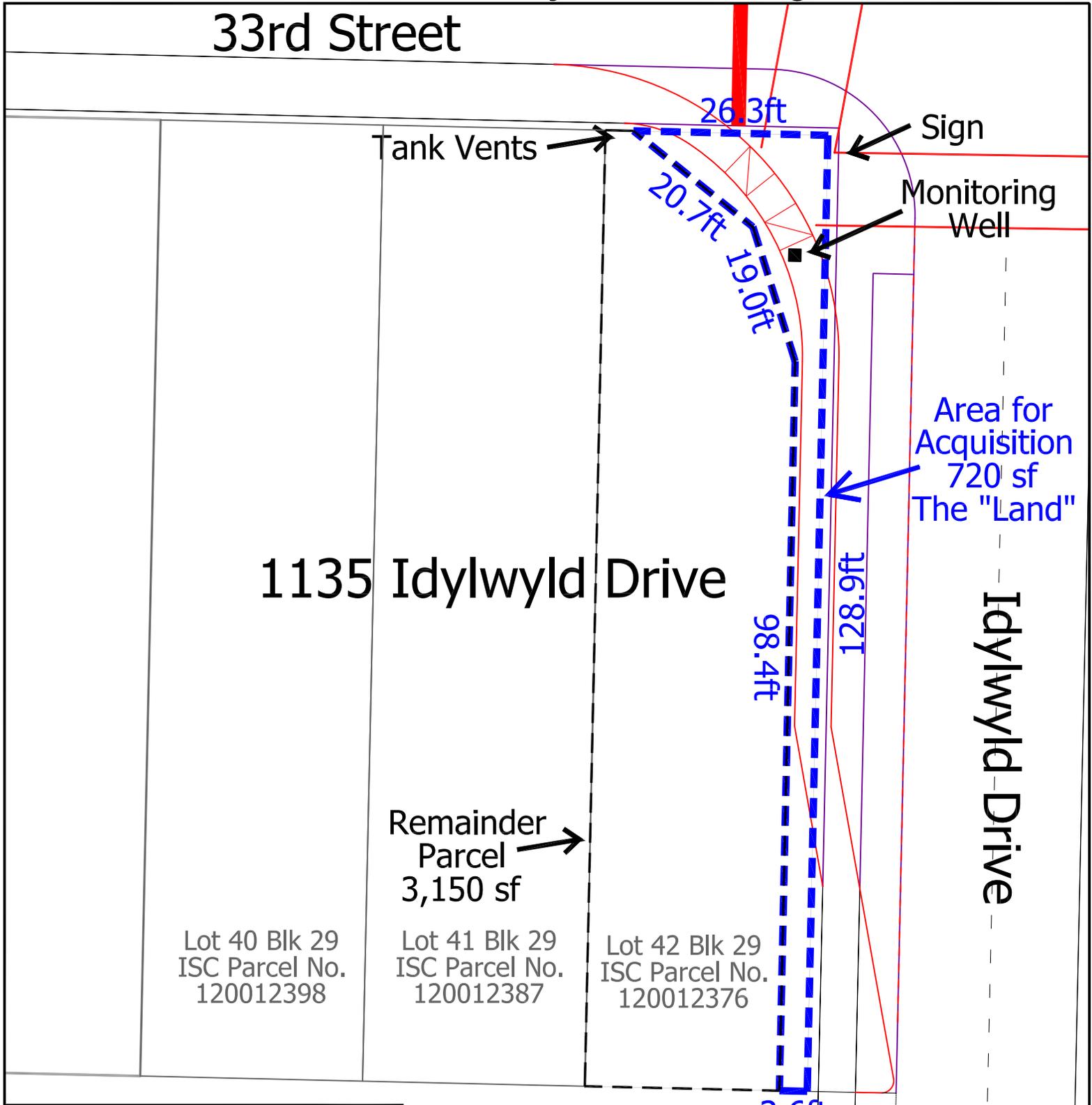
Reviewed by: Kerry Tarasoff, CFO/General Manager, Asset and Financial Management Dept.

Approved by: Jeff Jorgenson, General Manager, Transportation & Utilities Dept.

Finance JM - SW Corner of Idylwyld Drive and 33rd Street – Retro Petro Land Acquisition for Future Intersection Improvements.docx

Land and Items Subject to the Agreement

33rd Street



1135 Idylwyld Drive

Area for Acquisition
720 sf
The "Land"

Idylwyld Drive

Remainder Parcel
3,150 sf

Lot 40 Blk 29
ISC Parcel No.
120012398

Lot 41 Blk 29
ISC Parcel No.
120012387

Lot 42 Blk 29
ISC Parcel No.
120012376

LEGEND

- ■ ■ ■ Area for Acquisition = 720sf
- Existing Property Line
- Proposed Future Road Geometrics



Note: The City does not guarantee the accuracy of this drawing. To ensure accuracy, please refer to the Registered Plan of Survey. This drawing is not to scale. Distances are in metres unless shown otherwise. Do not scale.

Lane



Request for Post-Budget Approval – Capital Project #1411 IS – Land Development - Aspen Ridge Residential Area

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That a post-budget increase to Capital Project #1411 IS – Land Development – Aspen Ridge Residential Area, in the amount of \$8,598,000 be approved; and
2. That the post-budget increase be funded from the Prepaid Services Reserves and the Property Realized Reserves (Fund 50).

Topic and Purpose

The purpose of this report is to obtain City Council approval for a post-budget increase to begin roadway construction in the Aspen Ridge Residential Neighbourhood in order to advance the development of the neighbourhood.

Report Highlights

1. The three-year land development report recommended that planned construction within the B1A area of Aspen Ridge be completed by the end of 2018.
2. A modest recovery in sales for residential lots has resulted in low inventory levels in Aspen Ridge.
3. The development of 251 residential lots and one multi-family parcel will ensure that an ample supply of lots are available.
4. The Administration is recommending that the construction of the sidewalks, roadways and street lighting occur during the 2017 construction season.

Strategic Goal

The recommendations in this report support the Strategic Goal of Sustainable Growth as it will ensure that an adequate supply of Greenfield residential development is available to meet market demands in the time frames required.

Background

The three-year land development report for the Aspen Ridge Residential neighbourhood recommended that area grading, water and sewer, utilities, sidewalks and roadways be completed for a number of phases within the neighbourhood by the end of 2018. Staging of service construction is necessary over a number of years to be able to complete servicing for any one year. Area Grading as well as water and sewer have previously been completed within the B1A phase of the neighbourhood and shallow-buried utilities are planned to be constructed in 2017.

Report

The City is experiencing a modest recovery in the sale of residential serviced lots have caused low inventory levels within Aspen Ridge. This increased activity has resulted in

a need to modify the phasing within the neighbourhood to assure that an ample supply of residential lots are available for sale. By advancing the program from 2018 to 2017 within the B1A phase, an additional 251 residential lots as well as one multi-family parcel will become available. The components required to complete this phase of servicing include sidewalk, roadway, and street lighting construction.

Options to the Recommendation

An option would be to not approve the post-budget increase. This may result in an inadequate amount of lots being available in inventory to perspective buyers of residential property in Aspen Ridge.

Public and/or Stakeholder Involvement

Public meetings were held at the time the concept plan for the neighbourhood was undertaken.

Communication Plan

At the time the concept plans were unveiled, notices were distributed to all property owners in the area and surrounding area. As well, the local community associations were notified. If construction impacts the neighbouring residents or initiates renewed public interest, additional communications may be considered to address unanticipated or emerging needs.

Financial Implications

The Administration is recommending that the post-budget increase be funded in the amount of \$8,598,000 from the General Prepaid Service Reserves and Fund 50 of the Property Realized Reserve which are adequately funded noted as follows:

General Prepaid Service Reserve	\$7,910,000
Property Realized Reserve (Fund 50)	357,000
General Prepaid Services – Electrical City	<u>331,000</u>
Total	\$8,598,000

Environmental Implications

The recommendation will have negative land use and greenhouse gas emission implications associated with development of a Greenfield site. The overall environmental impacts of developments have not been quantified at this time.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

The project is planned to be completed to a roadway paved level of service during the current year.

Request for Post-Budget Approval – Capital Project #1411 IS – Land Development - Aspen Ridge Residential Area

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

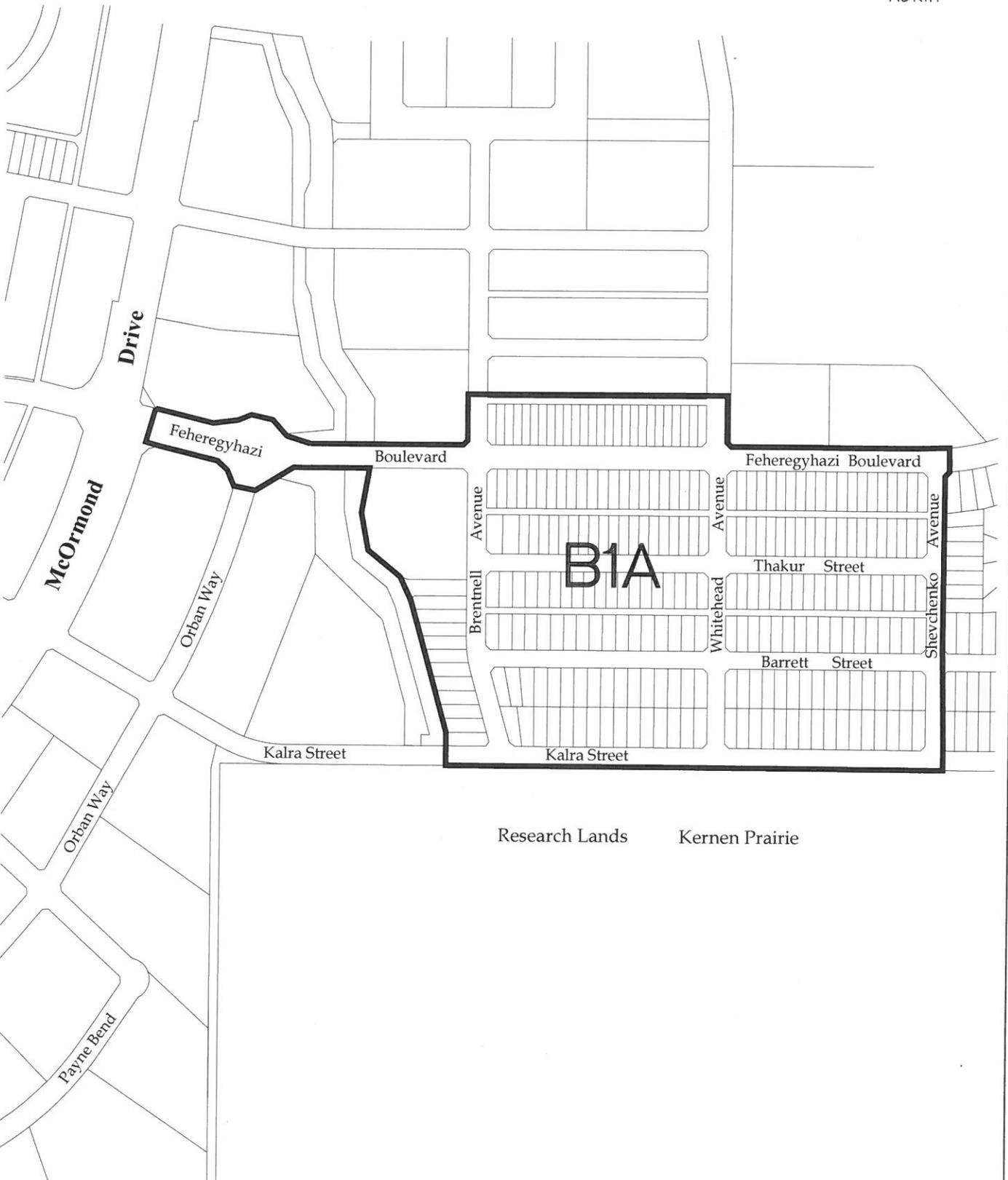
Attachment

1. Plan of Aspen Ridge B1A

Report Approval

Written by: Daryl Schmidt, Land Development Manager
Reviewed by: Celene Anger, Director of Construction & Design
Approved by: Jeff Jorgenson, General Manager, Transportation & Utilities Department

FINANCE DS Request for Post Budget Approval – Capital Project 1411 – Land Development - Aspen Ridge Residential Area



B1A

Research Lands

Kernen Prairie

Ideas Inc. Lease Renewal

Recommendation:

That the Standing Policy Committee on Finance recommend to City Council:

- 1) That the Lease and Operating Agreement between the City of Saskatoon and Ideas Inc. respecting 420 Avenue B South be approved; and
- 3) That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and The City Clerk be authorized to execute the agreement under the Corporate Seal.

Topic and Purpose

The purpose of this report is to renew the lease with Ideas Inc., a business incubator located in River Landing (in the City-owned building shared with the Saskatoon Farmers' Market).

Report Highlights

1. Ideas Inc. has operated at 420 Avenue B South (the City-owned building shared with the Saskatoon Farmers' Market) since 2007.
2. The Lease Agreement between the City of Saskatoon (City) and Ideas Inc. expires September 1, 2017.
3. The Administration is proposing to renew the lease for another five years.
4. In 2016, five businesses outgrew their space in Ideas Inc. and graduated to other locations.
5. At the end of 2016, Ideas Inc. was fully occupied with 37 incubating businesses.

Strategic Goals

This report supports Strategic Goal of Quality of Life as it influences community–building through direct investment and builds capacity with the community. It also supports the goal of Economic Diversity and Prosperity by working collaboratively with economic development authorities to promote Saskatoon as a great place to live, work and raise a family. Also, this report supports the goal of creating and supporting a business-friendly environment and increase the tax base that is non–residential.

Background

At its September 17, 2012, meeting, City Council approved the lease renewal for Ideas Inc. for another five years. The City first entered into a leasing agreement for the building in 2007. As part of the River Landing development, the City renovated the old electrical building at the corner of 19th Street and Avenue A. The former Electrical Services Building was redesigned as two occupancies. The Saskatoon Farmers' Market is one tenant, and the other building tenant is Saskatoon Ideas Inc. (Ideas Inc.), a non-profit business incubator that offers space, advisory, and mentorship expertise to prospective entrepreneurs, increasing their chances of long-term success. Ideas Inc.

leases and operates the building incubator component of the building which is 1,769.2 m² (19,000 square feet).

Ideas Inc. has provided the City with notice that it wishes to renew in 2017 for another five years, and the Administration has been working with Ideas Inc. to negotiate terms of a new lease.

Report

Ideas Inc. Achieving Success

Ideas Inc. has been operating since 2007. In 2014, its new Executive Director and board established some new operating parameters, focusing on coaching, mentoring, and networking. Incubating businesses pay a reasonable and affordable rent to Ideas Inc. and, in turn, receive flexible office space and coaching, mentoring, and networking opportunities. The space is 100% occupied, with 37 businesses (9 retail; 10 office; and 18 in the Launch Pad, an affordable open concept work area for new business owners that don't require retail/office space but need a professional workspace and guidance). In addition, Ideas Inc. provides approximately 1000-1100 coaching hours to entrepreneurs on a yearly basis.

In 2016, five businesses outgrew their space and invested elsewhere in Saskatoon. These businesses continue to operate and contribute to the local economy by supplying jobs and staying local (27 jobs created since graduating from Ideas Inc.). Also in 2016, Ideas Inc. remodeled their EMPOWER program for Indigenous entrepreneurs. Through partnerships, they are able to offer space, coaching, and mentorship at no cost to Indigenous entrepreneurs, and are currently accepting ten new applicants.

All of the street level storefronts (except one, which will be by spring) are retail—thus fulfilling the mandate of River Landing as being a people magnet to bring people to the area. Both floors in the building are fully occupied and they have a wait list of 17 businesses. The businesses operate normal business hours during the year and are open most days (closed on Sundays and some Mondays). From May to September they also operate an outdoor market (Street Stall Saturday with 41 vendors) at the same time as the outdoor vendors at the Saskatoon Farmer's Market on Saturdays and have stalls set up along Sonnenschein Way, adding more activity in the area.

The Annual Report for Ideas Inc. is included in Attachment 1.

Benefits of Business Incubators in General

As noted by the International City Management Association:

Local business creation is frequently identified as a priority for economic development and growth. Local firms are often targeted because they tend to remain in the community, bring revenue into the local economy, and use local resources as inputs for their business.

Consequently, cities often seek to support local entrepreneurs by providing financial and practical assistance while they develop their enterprises to the point where they become

self-sufficient. And incubators are among the tools that can be employed to foster local business creation.

Traditional business incubators are buildings that house several new businesses under one roof, an arrangement that takes advantage of economies of scale and other synergies to assist firms through their perilous start-up periods.

As noted by the international Business Innovation Association:
Business incubators create an atmosphere that fosters entrepreneurship by connecting people who are facing similar opportunities and challenges.

Incubator graduates create jobs, revitalize neighborhoods and commercialize new technologies, thus strengthening local, regional, and even national economies.

Attachment 2 contains testimonials from Ideas Inc. clients demonstrating that Ideas Inc. is achieving the economic development and growth goals for which a business incubator is designed.

Lease Terms:

The following is a summary of the key terms contained in the Lease and Operating Agreement (the "Agreement"):

- 1) In form, the Agreement has the same essential features as the previous lease;
- 2) The term of the Agreement is five years, commencing on September 1, 2017, with no automatic option for renewal and Ideas Inc. will be responsible for the operating costs and utilities attributable to the building;
- 3) Ideas Inc. will be responsible for making the required annual contributions to the Civic Buildings Comprehensive Maintenance (CBCM) Reserve, of approximately \$53,000 (based on the standard civic formula for buildings reserve and adjusted annually for inflation);
- 4) Ideas Inc. will be responsible for payment of the deferred 2014 CBCM payment amortized over the length of this new term;
- 5) Ideas Inc. will pay property taxes. The 2016 property taxes were \$16,550. Ideas Inc. had been on a declining tax abatement since 2012, ending in 2017;
- 6) Ideas Inc. will be required to submit data on agreed-upon performance measures. These performance measures cover the number of tenants and number of graduates, as well as the number of jobs created and tenant/graduate satisfaction, In addition to these annual performance measures, Ideas Inc. will also supply a yearly narrative update that provides context and interpretation of the data, audited/reviewed financial statements, and any audits Ideas Inc. may undertake;
- 7) There will be representation by a member of Saskatoon City Council on the Ideas Inc. Board of Directors.

Options to the Recommendation

City Council could decide to not renew the lease of Ideas Inc. This is not recommended as Ideas Inc. not only serves as a valuable resource to entrepreneurs in the community,

but also helps to animate River Landing and bring people to the area. In addition, a five year lease gives the Ideas Inc., tenants stability and reassurance, so they, in turn, can continue their leasing of the space and focus on growing their businesses.

Financial Implications

Ideas Inc. as of 2017, is now paying full property taxes (\$16,550 in 2016). It also pays its contribution to the Civic Buildings Comprehensive Maintenance Reserve fund (approximately \$53,000) annually. Ideas Inc. pays its utilities and operating costs.

Other Considerations/Implication

There are no policy, environmental, privacy, or CPTED implications or considerations and a communications plan is not required.

Due Date for Follow-up and/or Project Completion

If the report is approved, the Administration will finalize lease discussions with Ideas Inc. and have the renewal process completed before September 2017 (when the current lease expires).

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Ideas Inc. Annual Report 2016
2. Testimonials from Ideas Inc. Clients

Report Approval

Written by: Jill Cope, Project Manager, Environmental and Corporate Initiatives
Reviewed by: Brenda Wallace, Director of Environmental and Corporate Initiatives
Approved by: Catherine Gryba, General Manager, Corporate Performance Department

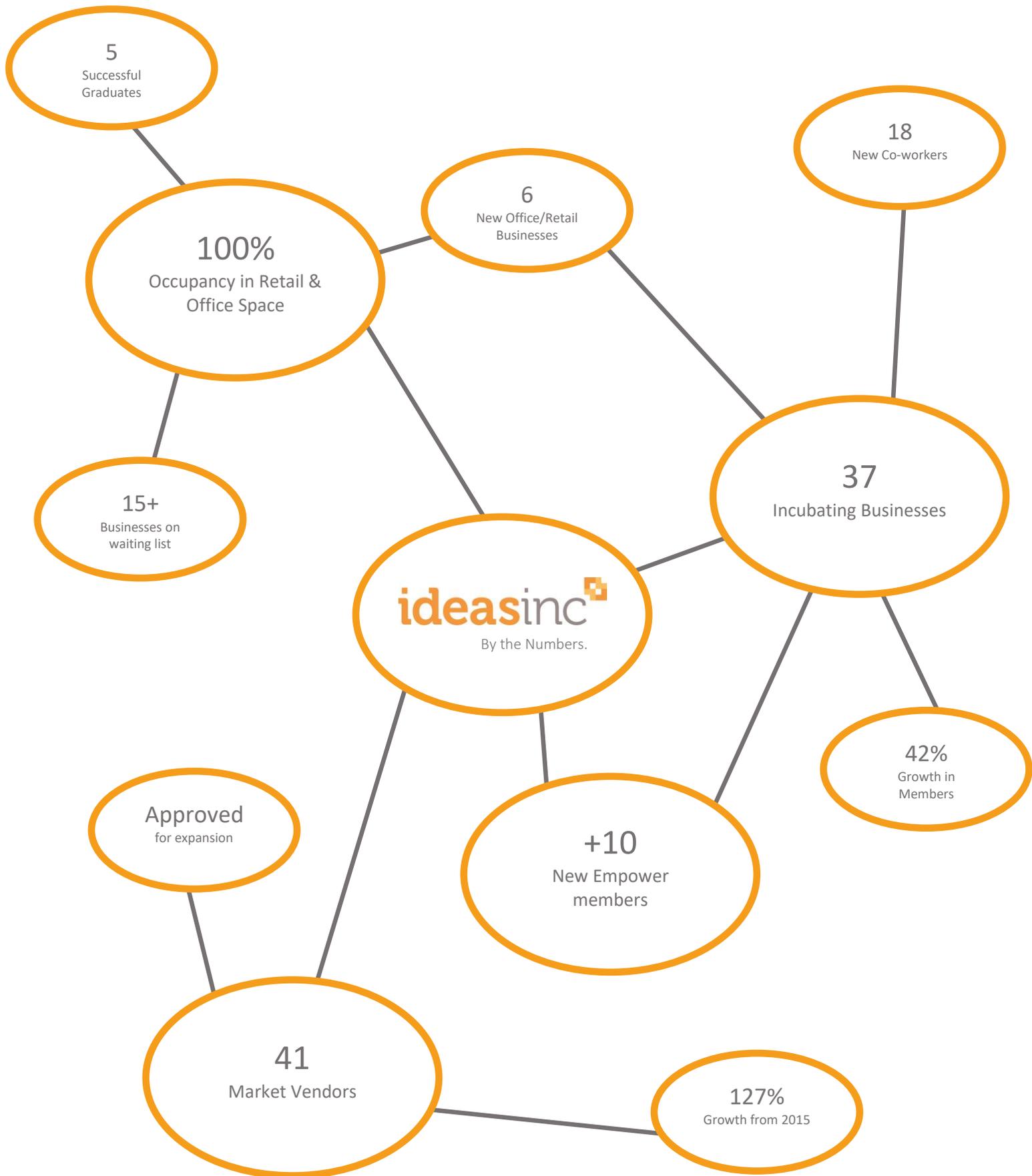
Ideas Inc Lease Renewal.docx

ANNUAL REPORT: 2016



Contents: 2016 Performance Indicators

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Incubation Program

The 2016 year was a highly successful incubation period for Ideas Inc, helping incubate over 35 small businesses. Some of these businesses have outgrown the incubator, while others remain here, continuing to grow and build a sustainable foundation. With expansions in our Launch Pad co-working program and outdoor market, we expect more businesses to call Ideas Inc home in the upcoming year.

Incubator Graduates

During 2016, five business outgrew the incubator and invested elsewhere in Saskatoon. These businesses continue to operate in Saskatoon and contribute to the local economy by supplying jobs and staying local.

A great example of the incubation process is 9 Mile Legacy Brewing Co. They utilized the incubator to build a sustainable business and have now purchased a building on 20th St to expand their operations. They continue to contribute to small business growth and the revitalization of the Riversdale business sector.



Please view Appendix I for details regarding incubator graduates and non-graduates.

New Incubating Members



During 2016, Ideas Inc was able to supply space for 6 new businesses to call home in our retail and office spaces. Through our newly introduced Launch Pad co-working program, we were able to welcome an additional 18 businesses.

Additionally, members have guidance from our mentorship roster and business coaching from the Ideas Inc staff.

Please view Appendix II for descriptions about our newest members in retail and office spaces.

Launch Pad Program

The main contributor to Ideas Inc membership growth was attributed to the introduction of the Launch Pad Co-working program. By partnering with SREDA, we were able to convert unconventional workspace into an open concept work area for new business owners. This platform serves as an affordable option for start-ups that do not require retail or office space, but need a professional workspace and guidance.

Please View Appendix III for a list of our Launch Pad Co-working members and program details.

Incubator Unmet Demand

Ideas Inc achieved 100% occupancy in our retail and office spaces during 2016. We have a large waiting list of new businesses interested in joining the incubator and growing their companies.

Please refer to Appendix IV to view our waiting list of new entrepreneurs.

Empower Program



Through 2016, we remodeled our Indigenous entrepreneurship program, EMPOWER. Through our main sponsor BHP Billiton and a partnership with Kendal Netmaker of Netmaker Academy, we have the ability to offer space, coaching and mentorship at no cost to Indigenous entrepreneurs. These partnerships and a new marketing campaign successfully converted the most applications for the program to date. As we are currently accepting 10 new applicants, we are excited for what Empower holds for the upcoming year.

Street Stall Saturdays

Street Stall Saturdays is our outdoor market which operates from September to October. Our 2016 market more than doubled in size from the previous year, providing an affordable outdoor retail outlet to over 40 vendors. The 2017 Street Stall Saturdays will be expanding on to an additional street to create room for all the market vendors, performers and food trucks.

Please refer to Appendix V for a list of our 2016 market participants.

Current Ideas Inc Members

Ideas Inc has a very diverse group of businesses currently occupying the buildings office and retail fronts. With new businesses recently entering the incubator, 2017 is proving to be an exciting year for animation, expansion and business development for Ideas Inc.



To view descriptions of our current retail and office business, please refer to Appendix VI.

To view a map outlining the Ideas Inc building and its businesses, please view Appendix VII.

Ideas Inc: 2017 Outlook

The 2017 year is looking promising for Ideas Inc. Currently with 100% occupancy in the retail and office space, and a long waiting list of new businesses, incubation is proving to be a beneficial component to local business growth. With the recent addition of new retail businesses, we are excited to create an animated shopping experience in the Riverlanding area.



Street Stall Saturdays

Street Stall Saturdays has more than doubled in size and continues to grow. By expanding the market onto Avenue B, the outdoor market will provide a great summer shopping destination in conjunction with the Saskatoon Farmer’s Market. The additional space will allow for more vendors, food trucks and a newly introduced live music component.

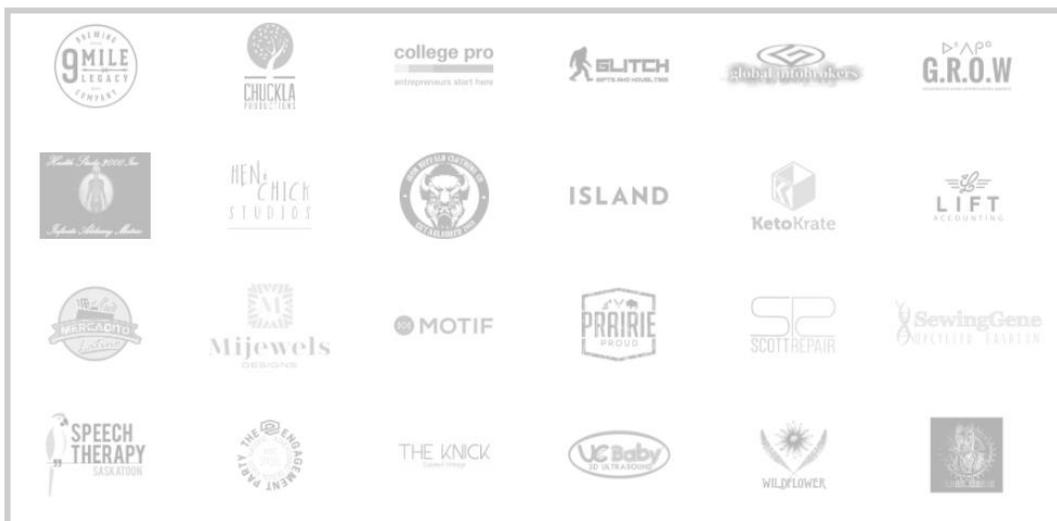
Empower

The Empower program has had an immense amount of interest and the most applicants to date. We are eager to work with the Indigenous community to influence the growth of small business and entrepreneurship as a career option.

The Launch Pad

The Launch Pad co-working program has been a success since its introduction in September and continues to grow rapidly, supplying an affordable option for brand new businesses. If Ideas Inc continues on this trajectory, we see potential for a substantial contribution to the growth of the local small business economy.

Our Community



Appendix I: Incubator Graduates and Non-Graduates

Company Name	Industry	Incubation Period	Jobs Created Post Grad	Still in operation	Location
9 Mile Legacy Brewing Co	Brewery	Nov 2014-Dec 2016	8	Yes	Saskatoon
Twisted Goods Franchise	Home Decor & Gifts	March 2015-April 2016	10	Yes	Saskatoon
Keto Crate	Nutrition	Oct 2015-Aug 2016	2	Yes	Saskatoon
YXE Weddings	Wedding Dj	April 2016-Nov 2016	1	Yes	Saskatoon
Refresh	Marketing Services	July 2010-May 2016	6	Yes	Saskatoon

Company Name	Industry	Incubation Period	Reason for Departure
Wildflower	Home & Botanical	May 2016- Nov 2016	Closed Business
Futurpreneur	Service Provider	Aug 2015-April 2016	Didn't fit incubation model

Appendix II: New Retail/Office Members (2016-Present)

Company Name	Industry	Description
Island Collective	Web Development	Island Collective is a website design and digital marketing firm focused on solving company's business goals through elegant, custom design.
Motif	Promotional products	Motif helps customers create and maintain value in their branding through tangible marketing products and services.
Sohum Massage & Yoga Therapy	Health & Wellness	Massage therapy that nourishes and rejuvenates the body, promoting vitality and a calm, balanced mind.
High Noon Barber	Salon	A local barbershop focused on cuts for men, beard care and straight shaves
Soul Foods	Health & Wellness	Saskatoon's one stop shop for superior quality, organically sourced superfoods and educational classes.
Biktrix	Cycling	High Quality electric bikes and accessories.

Appendix III: New Launch Pad Members (2016-Present)

Company	Industry	Description
1. Paragon Property Management	Property Management	A local property management company offering services to landlords and building owners to manage tenant relations and building issues.
2. College Pro Painting	Painting	College Pro painting targets university students and works with them to develop business skills by providing the opportunity to run a painting franchise.
3. Jenns Garden	Agriculture	Jenn's Garden has a facility that allows them to supply fresh vegetables to large and small scale retailers year round.
4. Lift Leadership Coaching	Consulting	Lift Leadership offers a wide array of leadership development and coaching built on the principles of John C. Maxwell.
5. Vila Construction	Construction	A local Saskatoon construction company that focuses on providing professional services for interior and exterior renovations.
6. David Fahie Photography	Photography	David offers photo classes designed for anyone with a camera and any level of experience to learn the basics of photography.
7. Layer 3	IT Consulting	Layer 3 Technology Services is dedicated to providing the expert tech support that is necessary for today's IT driven industries.
8. Eureka Consulting	Consulting	Eureka Consulting is a new business venture focusing on business strategy for small to large businesses.
9. Nicholas Nagy	Gov of SK	Nicholas operates as a sub-contractor for the government of SK, supplying services for business development and strategy.
10. Aboriginal Professional Association	Not for Profit	SAPA is a not for profit organization that promotes aboriginal professional service to the greater business community.
11. Reds L&B	Liquor and Beer	Red's L&B is new liquor store operating in small town SK.
12. Johnathon Gorham	Energy	Green energy consulting and sales.
13. Nulife Greentech Inc	Engineering	Researching methods to convert waste into usable energy.
14. Meraki+Light	Photography	Meraki+Light focuses on personal and wedding photography to share stories through imagery.
15. Shieldz Property Management	Property Management	With over 25 years of experience in the industry, Shieldz Property Management offers friendly and reliable service to property owners.
16. Rosalie Hughes	Consulting	A new business venture focusing on human resource consulting for corporations.
17. Modalis Centre	Consulting	Intuitive medium and traditional counselling to improve overall well being.
18. Mustafa Mustaan	Technology	Tech app development

Launch Pad Details

ideasinc
**LAUNCH
 >>> PAD**
 Co-Working | Mentorship | Coaching
Take your start up to new heights.
 Sponsored by: **SREDA**

\$99/month

ideasinc
**LAUNCH
 >>> PAD**
 Co-Working | Mentorship | Coaching
Take your start up to new heights.
 Sponsored by: **SREDA**

The Launch Pad program provides the tools and resources to get your start up off the ground.

- > CO-WORKING**
 Our co-working area is an open concept workspace. There are areas specifically designed for collaboration sessions, as well as private work stations. Additionally, our boardroom is a great space for meetings and presentations. Oh, and did we mention you get a private mailbox, access to parking, wifi, printing and our communal bicycles?
- > MENTORSHIP**
 Starting a business can be a confusing process. Our diverse roster of mentors can offer guidance through your entrepreneurial journey. Launch Pad members can access the mentors by appointment to gain perspective and learn from their experiences.
- > COACHING**
 Need insight on your next business decision? Ideas Inc and our contacts are here for advice. Launch Pad members can set up coaching sessions with the staff to talk strategy and help continuously grow your business.

ideasyxe.com 306.653.2007 info@ideasyxe.com 120 Sonnenschein Way

Appendix IV: Incubator Unmet Demand

Company Name	Industry
2nd look Apparel	Consignment Clothing
Bronzed Envy	Spray Tan
The Pig and Pantry	Butcher
Fancy	Marketing Services
Rebecca King designs	Women's wear, sweater coats
Fourth Studio	Tattoo Studio
Crystal Cove	Gemstones/crystals
Becker Design and Media	Web design, photography
Danger Dynamite	Photo and Video
Jammick Inc	Marketing Services
ENG Drafting	Engineering
Saskatchewan Association of Vet techs	Vet techs
Charlottes Decor and More	Local consignment items
JMK Massage Therapy	Massage
Saskatoon Housing Initiatives	Non profit
Meraki Cosmetic Studio	Micro scalping
Blue Moose Media	Marketing Services

Appendix V: Market Participants (2016)

Vendor Name	Description
Cocoa Food Truck	Mini Donuts, Sandwiches & coffee
Marrakech Market	Handmade Leather pouf, Leather Purses-backpack and leather shoes
Noryang Dratsun	Tibetan, East Indian and Nepali clothing and handicrafts.
Lilly's Silk N Cashmere	All hand-made pure silks and Cashmere, scarves, clothing. Papier Mache hand crafted gift items, pure gem stone hand-made jewelry.
Over the Hill Creations	Jewelry
Randy's Sewing	courier bags, duffle bags, blankets, aprons, other sewn products
The Cotton Candy Addiction	Fresh cotton candies
Earth Connections Garden Centre LTD	Organic garden towers, certified organic vegetable seeds, produce, wild/foraged organic products, vegetable seedlings.
Harvest Moon	Vintage Jewellery, French Country Linens, table linens, Aprons, Market bags, hand made journals, teapots and tea accessories, Clothing , Sculpture and art.
Tupperware	Tupperware - household items mainly kitchen. Food storage and prep.
Last Mile Coffee	Coffee Food Truck
Charmed Creations	Hand Made Jewellery
Bearded Brothers Beard Care	Local and organic beard care line. Such as beard oils, mustache waxes, man-chap, etc.
Margaret's Concession	Food truck providing breakfast and lunch
Rebel Melt Food Truck	Rebel Melt Food Truck serves hillbilly inspired grilled sandwiches, our own savoury sage fries, house made beverages & other tasty bites.
Soom Soom Food Truck	Middle Eastern/ Mediterranean food
Earths Edge	rocks, gemstones, fossils
Nituls Creations	Temporary Henna tattoo and Indian craft
N/A	Ecuadorian Clothing
NomNom Food Truck	Tacos, Burgers, Fries
The Travelers Quest Shop	African Fair trade
Ricuras El Caleno	Colombian Food, empanadas
N/A	Jewellery
Iron Buffalo Clothing	Clothing
Sewing Gene	Clothing

N/A	Baby Clothing
N/A	Whole foods
Crossing Cultures Catering	Crepes
Dapper Dane	Food Truck
Road Coffee Co	Nitro Coffee
Homestead	Ice cream
Yumm Food Truck	Food Truck
Restless Gypsys	Guitars, necklaces & clothing
Sawchyn Guitar ltd	Custom guitars
Leather Better	Leather conditioner
Academy of Fashion	Fashion
Karma Cafe	Nitro Coffee
Secret	Art, wood games
N/A	Garden Ornaments
Tropikal Treatz	Mangos, pomegranate
N/A	Vinyl records
Total	41

Appendix VI: Current Office and Retail Businesses

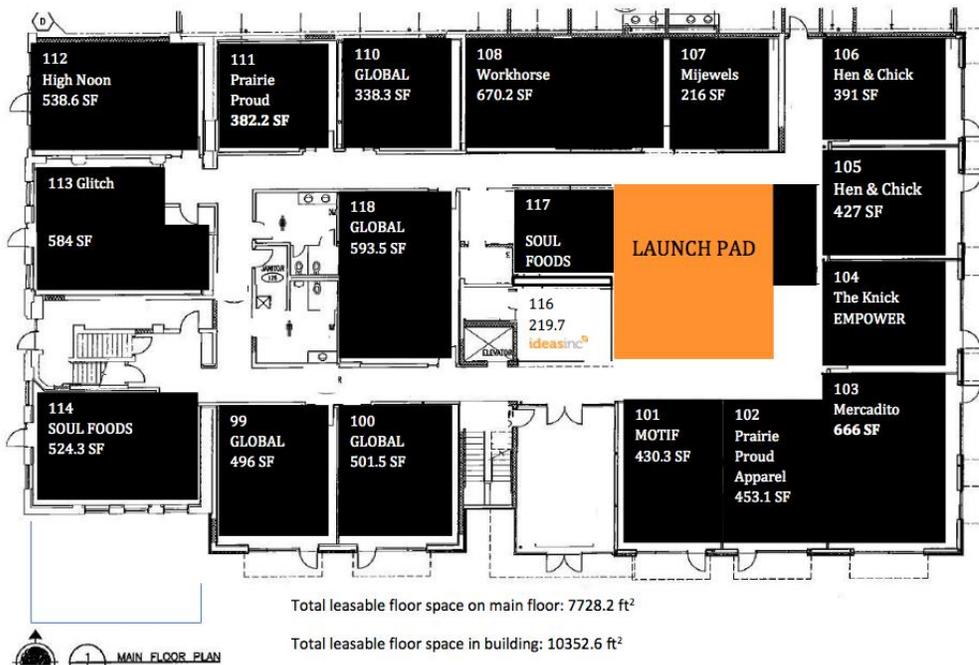
Company	Industry	Description
RETAIL		
Hen & Chick Studios	Home Decor & gifts	Hen & Chick Studio offers local handmade products as well as ones we have sourced out across Canada. A diverse and interesting collection of jewellery, crystals, home accessories & landscape photography
The Knick Vintage	Clothing	We travel North America as your personal shopper bringing home to you, the ultimate selection of true vintage and deluxe second-hand clothing.
Mercadito	Grocery	A local Latin grocer supplying products from Colombia, Mexico, Peru and El Salvador.
Prairie Proud	Apparel	Prairie Proud Apparel sells locally made Prairie inspired clothing with a portion of all sales donated to local charities.
Motif	Promotion & Advertising	Motif uses the power of promotional items, marketing products, custom apparel (screen printing) and graphic design to get your brand noticed.
Praxis	Education	Praxis school of entrepreneurship offers education and guidance to aspiring new business owners.
Soul Foods	Nutrition	Saskatoon's one stop shop for superior quality, organically sourced superfoods and educational classes.
Glitch Gifts and Novelties	Novelty	Bringing the best gifts, novelties, and accessories from around the globe into a brick and mortar store with something for everyone.
High Noon Barber	Barber	11th Hour is a traditional one-on-one barbershop run by a Red Seal Certified Journeyman with a decade of experience in the industry.
OFFICE		
Workhorse Recording Studio	Music & Recording	Workhorse Audio Productions is a full service recording studio offering professional services from demo recordings to full album productions, as well as live sound engineering. Owned and operated by Troy S. G. Denet, graduate of RAIS and professional bear wrestler.
Mijewels	Jewellery	With 35 years experience in the Jewelry Industry, Mijewels Designs specializes in hand crafting custom made rings and jewelry.
Island Collective	Web Design	Island Collective is a website design and digital marketing firm focused on solving company's business goals through elegant, custom design.
Sohum Massage	Massage	Massage therapy that nourishes and rejuvenates the body, promoting vitality and a calm, balanced mind.
Health Studio 2000	Health & Wellness	e-Lybra Bioresonance Therapy, Reiki & Crystal Therapies - Quantum Energy Balancing of the Mind, Body, Spirit & Soul
Dimensions of Safety	Consulting & Education	Provides companies with innovative safety consulting and modules.

Chuckla Productions	Video Production	From broadcast marketing to creating an online video presence, Chuckla Productions is a full service video production house. We will take you from initial concept to choosing the most effective and contemporary way to deliver your message.
Saskatoon Speech Therapy	Speech Therapy	Speech Therapy Saskatoon offers an array of speech therapy services to children and adults to help them be the most effective communicators they can be.
UC Baby	Health & Wellness	We offer 3D baby ultrasound services that allow you to view your baby in real-time. We offer gender determination and create one of a life time memories captured on CD, DVD or USB sticks in a joyful and relaxing environment for your family.
Lift Accounting	Accounting	Lift Accounting is an accounting shop for start-ups and small businesses in Saskatoon and area. Lift Accounting is based on one simple concept, "we want to provide small businesses with the same financial insight typically available to big businesses at affordable prices."

Appendix VII: Ideas Inc Office & Retail Map

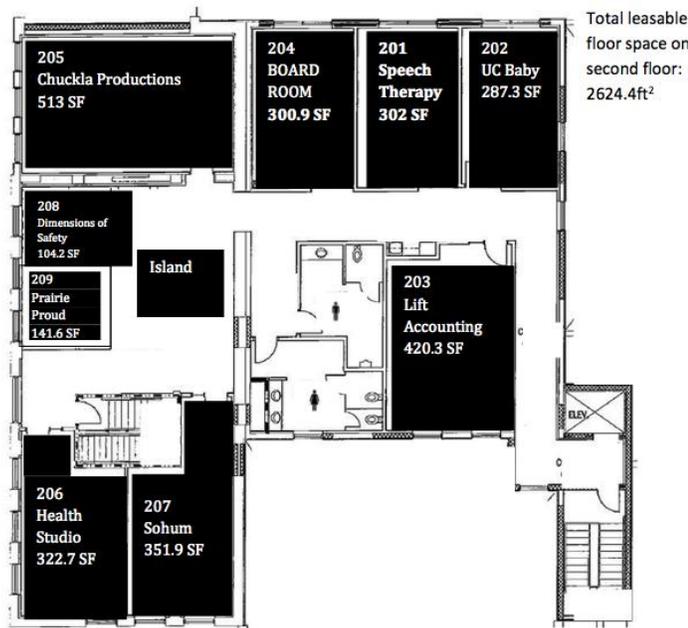
Clients as of February 1st, 2017.

Ideas Inc.



Clients as of February 1st, 2017.

Ideas Inc.



Testimonials from Ideas Inc. Clients

Current Clients:

"I have had the pleasure of being part of the Ideas Inc. community the last couple years. Depesh, Ryan, and the building itself have allowed my business to expand from a 100 sq ft spare bedroom into a growing omni-channel retailer. Depesh has become a mentor & friend who continues to support my vision while challenging me to evolve as an entrepreneur. The space provided has legitimized my business providing the necessary amenities to fulfill all aspects of operations including a retail storefront, e-commerce fulfillment center, and inventory storage. Overall, Ideas Inc. has provided me the tools to succeed as a young & motivated entrepreneur in the City of Saskatoon."

Cole Thorpe
Founder
Prairie Proud

"Starting your own business can be incredibly stressful and at times overwhelming. Ideas Inc. relieved much of that stress. It is a community of start-ups in which everyone supports one another, giving it a refreshing and empowering community vibe. Depesh and Ryan provide incredible in-house support, making the various challenges of starting your own business seem much less daunting. They are constantly finding new ways to improve both the space and function of the program. On top of that, having access to various mentors who know what it's like to build a company from the ground up has been priceless. Thanks to Ideas and their affordable lease rates, I have been able to create my vision of a storefront for MOTIF far sooner than expected at an unreal location that is extremely impressive to customers. Ideas Inc has given my start-up the perfect foundation that it needs to really flourish."

Joel Antymniuk
Founder
MOTIF

"One of the best business decisions I have made is choosing Ideas Inc as the location to build my small business Lift Accounting. The business support & coaching that we have received from Depesh & Ryan has played an important role in our growth as a small business and my development as a young entrepreneur. Furthermore, the environment at Ideas Inc is conducive to building a small business because we are surrounded by other entrepreneurs who are going through the same process. I am proud to tell my clients that our office is in the Ideas Inc incubator and I am looking forward to continuing to grow my small business with the support of Ideas Inc."

Jordan N. Brown, CPA, CA
Owner
Lift Accounting

Graduated Client:

9 Mile Legacy Brewing has existed for almost 2 years and, after starting our business at Ideas Inc., recently relocated to a renovated commercial building on 20th Street W. Having access to small-scale and accessible commercial space allowed us to start our business in a way that controlled costs, generated a nuanced sales record and established a premium brand presence in a supportive neighbourhood - all before engaging seriously with equity investors and financial institutions. It was also a lot of fun to work alongside other hustling entrepreneurs and share and get insight on issues faced during the course of business startup.

Starting our business at Ideas Inc allowed us to control the vision and maintain our equity and leadership stake in 9 Mile Legacy from a very early stage. We were able to reach the next stage in our business evolution without losing what we initially set out to create.

Except for unique circumstances, many startup businesses are short on both capital and business acumen. By providing affordable lease rates, mentorship and a compliment of amenities, business incubators allow an entrepreneur to learn to identify and manage risk at a point where risk is hopefully reduced and the many small failures come cheaply. When executed well, business incubators also create a community of entrepreneurs and an environment where people can share successes, failures and other experiences. Business incubators are important to Saskatoon because they broaden the opportunity for entrepreneurship and make the idea of starting one's own business accessible.

Shawn Moen
Co-Founder
9 Mile Legacy

Business Improvement Districts' 2016 Financial Statements

Recommendation

1. That the 2016 Audited Financial Statements from the Saskatoon Downtown, Broadway, Riversdale, Sutherland, and 33rd Street Business Improvement Districts be received as information; and
2. That this report be forwarded to City Council for information.

Topic and Purpose

The purpose of this report is to present the 2016 Audited Financial Statements as provided by each of the five Business Improvement Districts (BIDs) for information.

Report Highlights

1. The Saskatoon Downtown, Broadway, Riversdale, Sutherland and 33rd Street Business Improvement Districts have submitted their financial statements for the year ended December 31, 2016.

Strategic Goal

Being open, accountable and transparent is a key factor in achieving the Strategic Goal of Asset and Financial Sustainability. The five BIDS are organizations created by the City of Saskatoon to create stewardship of a defined business improvement district's identity and to complete projects within these districts to improve, beautify and maintain publicly-owned lands, buildings and structures in the BID, in addition to any improvement, beautification or maintenance that is provided at the expense of the urban municipality at large.

Report

The bylaws for each of the BIDs state that "on or before the 31st day of March in each year, the Board shall submit its annual report for the preceding year to the Council, and that report shall include a complete audited and certified financial statement of its affairs, with balance sheet and revenue and expenditure statement."

The 2016 Audited Financial Statements are being presented after the March 31 date due to delays in the audit process. For various reasons, presentation of the BIDs' Audited Financial Statements are often delayed past this date; therefore, an amendment to the due date in the bylaws may be required, and will be determined after further discussions are held with the BIDs.

Attachments 1 to 5 are copies of the audited financial statements for the BIDS for the year ended December 31, 2016.

Due Date for Follow-up and/or Project Completion

Upon further consultation with the BIDS, if required, the Administration will present a report to the Standing Policy Committee on Finance with a recommended amendment to the bylaw date for submission of the BIDs' Audited Financial Statements.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. 2016 Financial Statements, Saskatoon Downtown BID
2. 2016 Financial Statements, Broadway BID
3. 2016 Financial Statements, Riversdale BID
4. 2016 Financial Statements, Sutherland BID
5. 2016 Financial Statements, 33rd Street BID

Report Approval

Written by: Kyra Macfarlane, Corporate Accounting Manager
Reviewed by: Clae Hack, Director of Finance
Approved by: Kerry Tarasoff, CFO/General Manager, Asset and Financial Management Department

BIDSFinStmnts2016.docx

**OFFICE
COPY**

DOWNTOWN SASKATOON
(formerly Saskatoon Downtown Business Improvement District)
FINANCIAL STATEMENTS
DECEMBER 31, 2016





Ashley Buckberger CPA CA CFA*
Terry Baerg CPA CA*
Kathryn Bankowski CPA CA*
Jennifer Funk CPA CA*
Tyler Kachur CPA CA*
Alan Koop CPA CA*
Paul Pastor CPA CA CBV*
Jeff Persic CPA CA CFE*

* services provided through
professional corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Downtown Saskatoon (formerly Saskatoon Downtown Business Improvement District)

We have audited the accompanying financial statements of Downtown Saskatoon (formerly Saskatoon Downtown Business Improvement District), which comprise the statement of financial position as at December 31, 2016, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Downtown Saskatoon (formerly Saskatoon Downtown Business Improvement District) as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

SASKATOON, SASKATCHEWAN

March 14, 2017

Buchberger Baerq & Partners LLP

Chartered Professional Accountants

DOWNTOWN SASKATOON
(formerly Saskatoon Downtown Business Improvement District)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

	<u>Operating fund</u>	<u>Externally restricted fund</u>	<u>Internally restricted fund</u>	<u>Total 2016</u>	<u>Total 2015</u>
<u>ASSETS</u>					
Current assets					
Cash and cash equivalents	\$ 402,821	\$ -	\$ 200,000	\$ 602,821	\$ 655,591
Accounts receivable	40,490	-	-	40,490	38,820
Prepaid expenses	9,793	-	-	9,793	8,806
Interfund receivable	-	125,518	-	-	-
	453,104	125,518	200,000	653,104	703,217
Capital assets (Note 3)	88,107	26,682	-	114,789	111,231
	\$ 541,211	\$ 152,200	\$ 200,000	\$ 767,893	\$ 814,448
<u>LIABILITIES</u>					
Current liabilities					
Accounts payable and accrued liabilities	\$ 24,495	\$ -	\$ -	\$ 24,495	\$ 150,612
Deferred revenue	35,900	33,583	-	69,483	-
Interfund payable	125,518	-	-	-	-
	185,913	33,583	-	93,978	150,612
Commitments (Note 4)					
<u>NET ASSETS</u>					
Internally restricted fund	-	-	200,000	200,000	200,000
Externally restricted fund	-	118,617	-	118,617	97,935
Operating fund	355,298	-	-	355,298	365,901
	355,298	118,617	200,000	673,915	663,836
	\$ 541,211	\$ 152,200	\$ 200,000	\$ 767,893	\$ 814,448

See accompanying notes

Approved on behalf of the members

Director 

Director 
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DOWNTOWN SASKATOON
(formerly Saskatoon Downtown Business Improvement District)

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2016

	<u>Operating fund</u>	<u>Externally restricted fund</u>	<u>Internally restricted fund</u>	<u>Total 2016</u>	<u>Total 2015</u>
Revenue					
Business tax levy	\$ 602,461	\$ -	\$ -	\$ 602,461	\$ 585,551
City of Saskatoon grant	-	403,000	-	403,000	496,022
Parking grant	35,900	-	-	35,900	35,900
Street maintenance	27,895	-	-	27,895	20,539
Investment and other earnings	19,047	-	-	19,047	18,668
Event revenues	18,450	-	-	18,450	-
Other grant revenue	2,000	-	-	2,000	-
	<u>705,753</u>	<u>403,000</u>	<u>-</u>	<u>1,108,753</u>	<u>1,156,680</u>
Expenditures					
Amortization	23,419	9,956	-	33,376	23,470
Events	31,779	-	-	31,779	29,350
Marketing	65,071	-	-	65,071	22,962
Meetings	6,530	379	-	6,909	6,243
Office and administration	101,497	50,470	-	151,968	147,526
Research and education	9,817	6,990	-	16,807	37,572
Street cleaning	163,696	13	-	163,708	146,813
Wages and benefits	273,078	314,510	-	587,588	584,286
	<u>674,887</u>	<u>382,318</u>	<u>-</u>	<u>1,057,206</u>	<u>998,222</u>
Excess of revenue over expenditures before other items	30,866	20,682	-	51,547	158,458
Rebranding expenses (Note 5)	(40,827)	-	-	(40,827)	-
Loss on disposal of capital assets	(641)	-	-	(641)	(3,481)
	<u>(41,468)</u>	<u>-</u>	<u>-</u>	<u>(41,468)</u>	<u>(3,481)</u>
(Deficiency) excess of revenue over expenditures	<u>\$ (10,602)</u>	<u>\$ 20,682</u>	<u>\$ -</u>	<u>\$ 10,079</u>	<u>\$ 154,977</u>

See accompanying notes

DOWNTOWN SASKATOON
(formerly Saskatoon Downtown Business Improvement District)

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2016

	<u>Operating fund</u>	<u>Externally restricted fund</u>	<u>Internally restricted fund</u>	<u>Total 2016</u>	<u>Total 2015</u>
Net assets, beginning of year	\$ 365,901	\$ 97,935	\$ 200,000	\$ 663,836	\$ 508,859
(Deficiency) excess of revenue over expenditures	<u>(10,603)</u>	<u>20,682</u>	<u>-</u>	<u>10,079</u>	<u>154,977</u>
Net assets, end of year	<u>\$ 355,298</u>	<u>\$ 118,617</u>	<u>\$ 200,000</u>	<u>\$ 673,915</u>	<u>\$ 663,836</u>

See accompanying notes

DOWNTOWN SASKATOON
(formerly Saskatoon Downtown Business Improvement District)

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
Cash flows (used in) from operating activities		
Excess of revenue over expenditures	\$ 10,079	\$ 154,977
Items not affecting cash		
Amortization	33,376	23,470
Loss on disposal of capital assets	641	3,481
Change in non-cash working capital items		
Accounts receivable	(1,670)	26,949
Prepaid expenses	(987)	(324)
Accounts payable and accrued liabilities	(126,118)	7,692
Deferred revenue	69,483	(107,787)
	<u>(15,196)</u>	<u>108,458</u>
 Cash flows used in investing activities		
Purchase of capital assets	(40,174)	(103,407)
Proceeds on disposal of capital assets	2,600	500
	<u>(37,574)</u>	<u>(102,907)</u>
 Net (decrease) increase in cash and cash equivalents	 (52,770)	 5,551
 Cash and cash equivalents, beginning of year	 <u>655,591</u>	 <u>650,040</u>
 Cash and cash equivalents, end of year	 \$ <u>602,821</u>	 \$ <u>655,591</u>

See accompanying notes

DOWNTOWN SASKATOON
(formerly Saskatoon Downtown Business Improvement District)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. Nature of operations

Downtown Saskatoon (formerly Saskatoon Downtown Business Improvement District) (the "organization") is a non-profit organization established through the Bylaws of the City of Saskatoon. The organization's mandate is to make the downtown core a better place to live, work, shop, visit, play and invest. The organization is exempt from income taxes under Section 149 of the Income Tax Act.

The organization entered into a Memorandum of Agreement with the City of Saskatoon to deliver and manage the Community Support Program (CSO Program). The purpose of the CSO Program is to deploy community support officers who will endeavour to address the community issues in the area of the downtown core. During the year ended December 31, 2015, the organization signed another Memorandum of Agreement with the City of Saskatoon to extend the CSO Program indefinitely.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Fund accounting

The organization follows the principles of fund accounting.

The operating fund accounts for the general operations and events of the organization. Unrestricted contributions and restricted contributions to be used for operations are reported in this fund.

The externally restricted fund accounts for the operations of the CSO program.

The internally restricted fund is established for the purposes of maintaining a reserve for future uncertain expenditures. The balances in the internally restricted fund are not available for any purpose without the authorization of the Board of Directors.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and short-term deposits with term maturity of three months or less from year end.

Capital assets

Capital assets are recorded at cost, less accumulated amortization. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	45%
Leasehold improvements	20%
Office equipment	20%
Office signage	33%
Vehicles	30%

DOWNTOWN SASKATOON
(formerly Saskatoon Downtown Business Improvement District)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. Significant accounting policies (continued)

Impairment of long-lived assets

Long-lived assets, which comprise capital assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Revenue recognition

The organization follows the deferral method of accounting for contributions, which includes grants and donations. Contributions of capital assets are included as deferred contributions and capital assets.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets.

Investment and other income is recognized as earned.

Donated material and services

The work of the organization is dependant on a substantial number of individuals that have made significant contributions of their time to the organization. The value of the contributed time is not reflected in these financial statements.

Financial instruments

The organization initially records a financial instrument at its fair value except for a related party transaction, which is recorded at the carrying or exchange amount depending on the circumstances.

Transaction costs are recognized in excess of revenues over expenditures in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

Financial assets and financial liabilities subsequently measured at amortized cost include cash, accounts receivable and accounts payable and accrued liabilities.

DOWNTOWN SASKATOON
(formerly Saskatoon Downtown Business Improvement District)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. Significant accounting policies (continued)

Financial instruments (continued)

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

3. Capital assets

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Total 2016</u>	<u>Total 2015</u>
Operating fund				
Computer equipment	\$ 23,035	\$ 21,896	\$ 1,139	\$ -
Leasehold improvements	18,180	18,180	-	-
Office equipment	40,592	27,593	12,999	7,897
Office signage	90,528	74,128	16,400	-
Vehicles	74,783	17,214	57,569	67,375
	<u>247,118</u>	<u>159,011</u>	<u>88,107</u>	<u>75,272</u>
Externally restricted fund				
Computer equipment	4,427	4,176	251	600
Leasehold improvements	25,671	21,664	4,007	9,141
Office equipment	11,949	10,210	1,739	3,381
Vehicles	23,913	3,228	20,685	22,837
	<u>65,960</u>	<u>39,278</u>	<u>26,682</u>	<u>35,959</u>
Total capital assets	\$ <u>313,078</u>	\$ <u>198,289</u>	\$ <u>114,789</u>	\$ <u>111,231</u>

DOWNTOWN SASKATOON
(formerly Saskatoon Downtown Business Improvement District)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

4. Commitments

The organization has committed to the following minimum annual lease payments under certain building operating leases with third parties:

2018	\$	56,459
2019		17,730

5. Rebranding expenses

During the year, the board approved unbudgeted costs totaling \$76,219 for the purposes of a rebranding initiative of which \$35,392 was spent on capital assets and \$40,827 was spent on the rebranding expenses. The rebranding costs were to be spent out of the operating fund surplus.

6. Economic dependence

The organization receives a significant portion of its funding from the City of Saskatoon through a special levy on property assessments from the businesses located in the downtown district. The organization's ability to continue its viable operations is dependent upon maintaining that funding.

7. Financial instruments

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial instruments. The organization's approach is to establish an internally restricted fund whose purpose is to ensure it maintains an amount sufficient to meet its liabilities when due, under both normal and stressed circumstances.

8. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year. These changes do not impact prior year net assets.

BROADWAY BUSINESS IMPROVEMENT DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2016





**BUCKBERGER BAERG
& PARTNERS LLP**
CHARTERED PROFESSIONAL ACCOUNTANTS

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Tyler Kachur CPA CA*
Alan Koop CPA CA*
Paul Pastor CPA CA CBV*
Jeff Persic CPA CA CFE*

* services provided through
professional corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of
Broadway Business Improvement District

We have audited the accompanying financial statements of Broadway Business Improvement District, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Broadway Business Improvement District as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

SASKATOON, SASKATCHEWAN

March 24, 2017

Bachberger Baer & Partners LLP

Chartered Professional Accountants

BROADWAY BUSINESS IMPROVEMENT DISTRICT

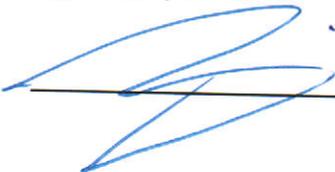
STATEMENT OF FINANCIAL POSITION

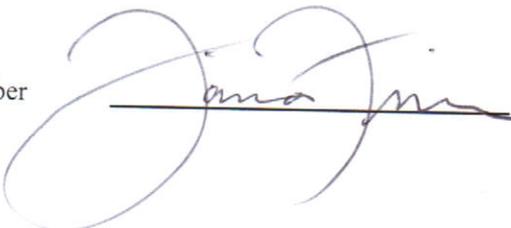
DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Current assets		
Cash	\$ 86,617	\$ 44,167
Restricted cash	3,602	3,575
Investments (Note 3)	3,634	56,046
Inventory	-	6,105
Prepaid expenses	-	945
Accounts receivable	23,333	26,476
GST receivable	<u>7,826</u>	<u>2,438</u>
	125,012	139,752
Investments (Note 3)	21,778	21,638
Capital assets (Note 4)	<u>20,070</u>	<u>4,254</u>
	<u>\$ 166,860</u>	<u>\$ 165,644</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,510	\$ 11,864
Deferred revenue	<u>35,900</u>	<u>-</u>
	47,410	11,864
<u>FUND BALANCES</u>		
Restricted fund	3,602	3,575
General fund	<u>115,848</u>	<u>150,205</u>
	119,450	153,780
	<u>\$ 166,860</u>	<u>\$ 165,644</u>

See accompanying notes

Approved by the Board


Member


Member

BROADWAY BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
General fund		
Revenues		
Business tax levy	\$ 192,963	\$ 187,086
Parking grant	35,900	35,900
Events	25,413	40,088
Marketing and new initiatives	8,420	3,290
Employment grant	5,610	6,118
Street maintenance	3,888	6,148
Interest income	2,242	1,757
	<u>274,436</u>	<u>280,387</u>
Expenditures		
Advertising	8,201	9,125
Amortization	3,974	1,141
Bad debts	-	1,300
Board expenses	1,341	2,503
Events	27,604	30,378
Insurance	1,644	1,600
Office	7,902	7,964
Professional and business development	5,640	9,511
Professional fees	12,365	11,126
Rent	13,719	11,383
Repairs and maintenance	2,033	3,031
Wages and benefits	183,148	160,412
	<u>267,571</u>	<u>249,474</u>
Excess of revenues over expenditures before other items	6,865	30,913
Rebranding expenses (Note 7)	41,222	-
	<u>48,087</u>	<u>30,913</u>
(Deficiency) excess of revenues over expenditures from general fund	<u>\$ (34,357)</u>	<u>\$ 30,913</u>
Restricted fund		
Walk of Stars interest income	<u>27</u>	<u>35</u>
Excess of revenues over expenditures from restricted fund	<u>\$ 27</u>	<u>\$ 35</u>
(Deficiency) excess of revenues over expenditures	<u>\$ (34,330)</u>	<u>\$ 30,948</u>

See accompanying notes

BROADWAY BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>		
	<u>Total</u>	<u>General fund</u>	<u>Restricted fund</u>
Fund balance, beginning of year	\$ 153,780	\$ 150,205	\$ 3,575
(Deficiency) excess of revenues over expenditures	<u>(34,330)</u>	<u>(34,357)</u>	<u>27</u>
Fund balance, end of year	<u>\$ 119,450</u>	<u>\$ 115,848</u>	<u>\$ 3,602</u>
	<u>2015</u>		
	<u>Total</u>	<u>General fund</u>	<u>Restricted fund</u>
Fund balance, beginning of year	\$ 122,832	\$ 119,292	\$ 3,540
Excess of revenues over expenditures	<u>30,948</u>	<u>30,913</u>	<u>35</u>
Fund balance, end of year	<u>\$ 153,780</u>	<u>\$ 150,205</u>	<u>\$ 3,575</u>

See accompanying notes

BROADWAY BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
(Deficiency) excess of revenues over expenditures	\$ (34,330)	\$ 30,948
Item not affecting cash		
Amortization	3,974	1,141
Net change in non-cash working capital items:		
Inventory	6,105	6,079
Prepaid expenses	945	(945)
Accounts receivable	3,143	3,723
GST receivable	(5,388)	1,527
Accounts payable and accrued liabilities	(353)	(2,186)
Deferred revenue	35,900	-
	<u>9,996</u>	<u>40,287</u>
Cash flows used in investing activities		
Purchase of capital assets	(19,791)	-
Proceeds on sale of capital assets	-	75
Purchase of investments	-	(7,410)
Proceeds on disposal of investments	52,272	-
	<u>32,481</u>	<u>(7,335)</u>
Net increase in cash during the year	42,477	32,952
Cash, beginning of year	<u>47,742</u>	<u>14,790</u>
Cash, end of year	<u>\$ 90,219</u>	<u>\$ 47,742</u>
Cash consists of:		
Cash	\$ 86,617	\$ 44,167
Restricted cash	<u>3,602</u>	<u>3,575</u>
	<u>\$ 90,219</u>	<u>\$ 47,742</u>

See accompanying notes

BROADWAY BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. Nature of operations

Broadway Business Improvement District (the "organization") was established in 1986 for the purpose of supporting and advancing the interests of all businesses situated within the boundaries of the Broadway district in Saskatoon, Saskatchewan. The organization is exempt from income taxes under Section 149 of the Income Tax Act.

2. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

The organization follows the principles of fund accounting.

The General fund accounts for the general operations and events of the organization. Unrestricted contributions and restricted contributions to be used for operations are reported in this fund.

The Restricted fund consists of donations to be used for the Walk of Stars program. This program is designed to recognize individuals who have made significant contributions to the district by having a commemorative star created and placed in areas of the district designated for this purpose. Only expenses relating to the creation, installation and maintenance of the ceremonial star and to the ceremony to unveil the star can be paid for out of the externally-restricted fund.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

Inventory recognized in expenses amounted to \$6,105 (2015 - \$0).

Capital assets

Capital assets are recorded at cost, less accumulated amortization. The organization provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Computer equipment	25% Declining balance
Event equipment	20% Declining balance
Office equipment	20% Declining balance
Signs	3 years Straight-line

BROADWAY BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. Significant accounting policies (continued)

Impairment of long-lived assets

Property, plant and equipment and intangible assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Intangible assets that are not subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may exceed their fair value. The impairment test involves comparing the fair value of the assets with their carrying amount. When the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Business tax levy, parking meter and maintenance revenues are recognized in the period to which the funds relate. All other sources of revenues are recognized when the product is delivered or the services rendered.

Financial instruments

The organization initially records a financial instrument at its fair value except for a related party transaction, which is recorded at the carrying or exchange amount depending on the circumstances.

Transaction costs are recognized in deficiency of revenues over expenditures in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

Financial assets and financial liabilities subsequently measured at amortized cost include cash, restricted cash, investments, accounts receivable and accounts payable and accrued liabilities.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

BROADWAY BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. Significant accounting policies (continued)

Donated material and services

The organization is dependent on the voluntary services of many individuals to the activities of the organization. Since these services are not normally purchased and because of the difficulty in determining their fair value, no amounts have been reflected in these financial statements for volunteer services.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

3. Investments

	<u>2016</u>	<u>2015</u>
Term deposits cashable within one year	\$ 3,634	\$ 56,046
Term deposits cashable after one year	21,778	21,638

4. Capital assets

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer equipment	\$ 2,926	\$ 2,229	\$ 697	\$ 930
Event equipment	5,378	3,425	1,953	2,441
Office equipment	3,282	1,265	2,017	883
Signs	18,480	3,077	15,403	-
	<u>\$ 30,066</u>	<u>\$ 9,996</u>	<u>\$ 20,070</u>	<u>\$ 4,254</u>

5. Line of credit

The organization has established a line of credit with the Affinity Credit Union with an authorized limit of \$10,000. At year end, no amount had been drawn on this line of credit.

BROADWAY BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

6. Commitments

The organization is committed to a lease agreement related to its office premises, expiring on August 31, 2018. The monthly lease payments including occupancy costs under the current lease agreement are \$1,115 from April 2016 through August 2018.

2017	\$ 13,380
2018	8,920

7. Rebranding expenses

During the year, the board approved unbudgeted costs totaling \$59,702 for the purposes of a rebranding initiative of which \$18,840 was spent on capital assets and \$41,222 was spent on the rebranding expenses. The rebranding costs were to be spent out of the operating fund surplus.

8. Economic dependence

The organization relies on a significant amount of its funding from the City of Saskatoon in order to finance its operations. Without this funding, there would be doubt regarding the organization's ability to sustain its current level of operating activities.

9. Financial instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risk relates to its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and operating lease commitments.

10. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

Financial Statements

For the year ended December 31, 2016

and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Members of
Riversdale Business Improvement District:

We have audited the accompanying financial statements of Riversdale Business Improvement District, which comprise the statement of financial position as at December 31, 2016 and the statements of operations, of changes in net assets and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Riversdale Business Improvement District as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian ASNFP.



Davies & Drury
Chartered Accountants
Saskatoon, Saskatchewan

March 15, 2017

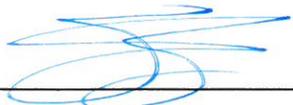
RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 172,297	\$ 121,026
Restricted cash	113	173
Short-term investments	39,993	39,496
Accounts receivable	14,249	19,895
Prepaid expenses	4,968	1,299
	<u>231,620</u>	<u>181,889</u>
PROPERTY AND EQUIPMENT (Note 3)	<u>1,957</u>	<u>3,097</u>
	<u>\$ 233,577</u>	<u>\$ 184,986</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 231	\$ 1,719
Deferred contributions	35,900	-
	<u>36,131</u>	<u>1,719</u>
NET ASSETS:		
Internally restricted net assets	113	173
Unrestricted net assets	197,333	183,094
	<u>197,446</u>	<u>183,267</u>
	<u>\$ 233,577</u>	<u>\$ 184,986</u>

Approved by the Board:



Director



Director

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE:		
City of Saskatoon surtaxes	\$ 167,120	\$ 165,456
Parking grant	35,900	35,900
Project income - XYEats	19,231	-
Other grants	11,546	18,433
Interest income	1,811	1,544
	<u>235,608</u>	<u>221,333</u>
EXPENDITURES:		
Advertising and promotion	9,698	16,968
Amortization	847	897
Bank charges and interest	465	357
Board meetings and education	4,762	1,657
Insurance	2,884	2,622
Memberships and dues	1,365	1,704
Office	3,693	3,678
Professional fees	7,323	7,886
Projects	39,213	15,433
Rent	5,400	5,400
Repairs and maintenance	1,496	2,461
Salaries and benefits	130,797	119,228
Seminars and conventions	11,090	6,759
Telephone	3,603	3,417
	<u>222,636</u>	<u>188,467</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEM:	12,972	32,866
OTHER ITEM - Gain on sale of property and equipment	<u>1,207</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 14,179</u>	<u>\$ 32,866</u>

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Internally restricted net assets</u>	<u>Unrestricted net assets</u>	<u>2016</u>	<u>2015</u>
Net assets at beginning of the year	\$ 173	\$ 183,094	\$ 183,267	\$ 150,401
Excess of revenue over expenditures	<u>(60)</u>	<u>14,239</u>	<u>14,179</u>	<u>32,866</u>
Net assets at end of the year	<u>\$ 113</u>	<u>\$ 197,333</u>	<u>\$ 197,446</u>	<u>\$ 183,267</u>

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Excess of revenue over expenditures	\$ 14,179	\$ 32,866
Item not affecting cash:		
Amortization	847	897
Gain on sale of property and equipment	(1,207)	-
Net change in non-cash working capital items:		
Accounts receivable	5,646	(5,220)
Prepaid expenses	(3,669)	(102)
Accounts payable and accrued liabilities	(1,488)	1,319
Deferred contributions	35,900	-
	<u>50,208</u>	<u>29,760</u>
CASH FLOWS FROM (TO) INVESTING ACTIVITIES:		
Proceeds on sale of property and equipment	1,500	-
Net increase in short-term investments	(497)	(481)
	<u>1,003</u>	<u>(481)</u>
INCREASE IN CASH DURING THE YEAR	51,211	29,279
CASH AT BEGINNING OF THE YEAR	<u>121,199</u>	<u>91,920</u>
CASH AT END OF THE YEAR	<u>\$ 172,410</u>	<u>\$ 121,199</u>
CASH CONSISTS OF:		
Cash in bank - unrestricted	\$ 172,297	\$ 121,026
Restricted cash	113	173
	<u>\$ 172,410</u>	<u>\$ 121,199</u>

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. NATURE OF OPERATIONS:

Riversdale Business Improvement District is an unincorporated entity set up to revitalize the business district in the Riversdale area of Saskatoon, Saskatchewan. The District's mission statement is as follows: *to provide a mutually-beneficial business environment for participating members in the Riversdale Business Improvement District by promoting area development and celebrating our uniqueness and cultural diversity.*

No provision for income taxes has been made in these financial statements as the entity is a not-for-profit organization. To the extent the District maintains its not-for-profit status, no income taxes will be payable.

2. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Property and Equipment

Property and equipment are recorded at cost. The District provides for amortization using the declining balance method at rates designed to amortize the cost of property and equipment over their estimated useful lives. The annual amortization rates are as follows:

Automotive	30%
Office equipment	20%
Office furniture and fixtures	20%
Computer equipment	45%
Maintenance equipment	20%

Revenue Recognition

The District follows the deferral method of accounting for contributions, which include grants and surtaxes. Contributions are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is assured. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenditures are recognized. Interest income or expense on restricted cash is recorded as a direct increase or decrease to internally restricted net assets.

Financial Instruments

Measurement of Financial Instruments

The District initially measures its financial assets and liabilities at fair value.

The District subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and restricted cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2016**

2. SIGNIFICANT ACCOUNTING POLICIES - continued:

Financial Instruments - continuedImpairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Assumptions underlying deferred cost valuations are limited by the availability of reliable comparable data and the uncertainty concerning future events.

By nature, asset valuations are subjective and do not necessarily result in precise determinations. Should underlying assumptions change, the estimated net recoverable amount could change by a material amount.

3. PROPERTY AND EQUIPMENT:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2016</u>	<u>2015</u>
Automotive	\$ -	\$ -	\$ -	\$ 293
Office equipment	14,624	13,707	917	1,146
Office furniture and fixtures	2,931	2,931	-	196
Computer equipment	3,604	3,604	-	124
Maintenance equipment	12,306	11,266	1,040	1,338
	<u>\$ 33,465</u>	<u>\$ 31,508</u>	<u>\$ 1,957</u>	<u>\$ 3,097</u>

4. FINANCIAL INSTRUMENTS:

The District, as part of its operations, carries financial instruments. It is management's opinion that the District is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as follows:

Credit Risk

The District is exposed to credit risk in connection with its accounts receivable because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. At year end, accounts receivable is substantially all due from the City of Saskatoon.

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

5. ECONOMIC DEPENDENCE:

The District's principal sources of revenue consist of grants and an allocation of property taxes from the City of Saskatoon. The city levies a surtax on property taxes based upon the District's budget for the following year. The District is dependent upon the city for the collection and transfer of this revenue.



February 20, 2017

Attention: Sutherland Business Improvement District Member

Dear Member:

As a business or property owner within the defined boundary of the Sutherland Business Improvement District, please be advised of the 2016 Annual General Meeting as per the attached notice.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Sheldon Wasylenko'.

Sheldon Wasylenko,
Sutherland Business Improvement District

Attachment(s):

- (1) NOTICE OF 2016 ANNUAL GENERAL MEETING
- (2) Agenda for 2016 AGM
- (3) 2016 Annual Report of the Sutherland B.I.D.
- (4) Audited Financial Statements for 2016
- (5) Minutes of 2015 SBID AGM held March 16, 2016

Notice of 2016 AGM

Sutherland Business Improvement District

SUTHERLAND BUSINESS IMPROVEMENT DISTRICT

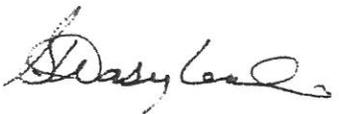
Notice of 2016 Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting for all members in good standing of the SUTHERLAND BUSINESS IMPROVEMENT DISTRICT, as of December 31, 2016, will be held at the following location:

Venice House Small Meeting Room
906 Central Avenue
Saskatoon, SK S7N 2G8

The meeting will be held on **Monday, March 20, 2017** at the hour of 11:30 am.

DATED: February 20, 2017



Sheldon Wasylenko, Chair
Sutherland Business Improvement District

Agenda for 2016 AGM

Sutherland Business Improvement District

Topic: Sutherland Business Improvement District Annual General Meeting

Meeting Date: Monday, March 20, 2017, 11:30 am
Venice House, 906 Central Avenue, Saskatoon, SK S7N 2G8

1. Call to order.
2. AGM Meeting Notification, Quorum, and Recording Secretary
3. Additions/Deletions/Changes and Adoption of the Agenda
4. Acknowledgement of 2016 Board of Management in attendance
 - 4.1 Record of member attendance
5. Adoption of Minutes for the 2015 Annual General Meeting of the Sutherland Business Improvement District
6. Reports
 - 6.1 Chair's Report
 - 6.2 Treasurer's Report
 - 6.2.1 Appointment of Auditor
 - 6.2.2 Receive and adopt 2016 Sutherland B.I.D. Financial Statements
 - 6.2.3 Receive and adopt 2016 budget
7. New Business
 - Election of Directors for the Sutherland B.I.D. Board of Management for 2017.
9. Adjournment

2016 Annual Report

Sutherland Business Improvement District

A. Chair's Report

Once again, I have the pleasure of presenting the Annual Report of the Sutherland Business Improvement District for 2016.

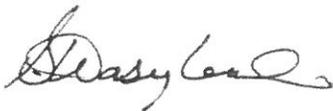
In 2016, we saw the completion for Phase 2 of our Streetscape Project. This included the repaving of 110th Street to 115th Street as well as concrete work adjacent to businesses. With this work complete, emphasis was placed on keeping Central Avenue looking clean and inviting. The enhanced streetscape and more reliable infrastructure will provide continued momentum for our BID to attract new businesses to the area.

For this current year, 2017, your Board of Management will aggressively push to confirm what funding options are available (current and future) for continued streetscape improvements and programs within our BID. Currently, the SBID is the only BID participating in the City Wide program. The SBID is to remain in this Program for the short-term as we continue discussions regarding the next phase(s) of streetscaping on Central Avenue and Gray Avenue. The City of Saskatoon anticipates funding should be available in 2018. We find it imperative that this work be complete in 2018 as it was originally intended to be available in 2017.

We have said this in the past and would like to emphasize again that the administrative and project staff of the City of Saskatoon continue to support our BID with their expertise and time. We look forward to their continued support and involvement as we plan for the next phase(s) of our streetscape program.

Respectfully submitted on behalf of the Board of Management.

Sincerely,



Sheldon Wasylenko, Chair
Sutherland Business Improvement District

2016 Annual Report

Sutherland Business Improvement District

B. 2016 Board of Management

The members below were elected to the Sutherland Business Improvement District Board of Management for 2016.

<u>Member</u>	<u>Address</u>	<u>Phone</u>
Zach Jeffries, Ward 10	222 – 3rd Avenue North, Saskatoon, SK S7K 0J5	229-8721
Leo Morrison, Director	908 Central Avenue, Saskatoon, SK S7N 2G8	651-6155
Kos Kosmas, Secretary/Treasurer	906 Central Avenue, Saskatoon, SK S7N 2G8	373-6666
Leanne Priddell, Vice-Chair	1-800 Central Avenue, Saskatoon, SK S7N 2G6	649-2233
Kyle Gerwing, Director	1171 8 th Street East, Saskatoon, SK S7H 053	668-3004
Sheldon Wasylenko, Chair	1000 Central Avenue, Saskatoon, SK S7N 2G9	373-0663

2016 Annual Report

Sutherland Business Improvement District

C. Election of 2016 Sutherland B.I.D. Board of Management

The Sutherland Business Improvement District Board of Management is a management board consisting of six (6) members.

In accordance with the City of Saskatoon Bylaw No. 7891, which is the bylaw enacted for the Sutherland Business Improvement District, the following positions are required appointments as described under the heading Election and Appointment of Officers, paragraph 9., sub-paragraphs (1) and (2):

- Chair
- Vice-Chair
- Secretary/Treasurer

One additional position has also been appointed:

- Director

One member of City of Saskatoon Council must also be represented on our Board of Management. Zach Jeffries, City Councillor, Ward 10, has been appointed to this position.

All positions, with the exception of the appointed member of Council, are open for nomination. The Board of Management is a body corporate and consists of members who are electors of the City of Saskatoon who operate a business in the district or who are nominees of corporations that carry on business in the district.

As of February 20, 2017 the following nominations have been received for positions on the Sutherland B.I.D. Board of Management for 2017.

<u>Position</u>	<u>B.I.D. Member Nominee(s)</u>
City Councillor	Zach Jeffries
Chair	Sheldon Wasylenko
Vice-Chair/Treasurer	Leanne Priddell
Director(s)	Kos Kosmas Leo Morrison Kyle Gerwing Gaby Akl

Additional nominations will be sought prior to elections held during proceedings at the Annual General Meeting of the Sutherland Business Improvement District.

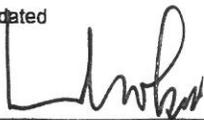
2016 Annual Report

Sutherland Business Improvement District

D. 2016 Operating Budget

	2015 Budget	2015 Forecast YTD	2016 Budget (Proposed)
REVENUE			
Business Levy	\$ 31,000.00	\$ 27,640.00	\$ 30,000.00
Sponsorship/Programs	\$ 1,500.00	\$ 2,500.00	\$ 2,500.00
Surplus Revenue	<u>\$ 9,000.00</u>	<u>\$ 12,060.00</u>	<u>\$ 8,700.00</u>
Total Revenue	\$ 41,500.00	\$ 42,200.00	\$ 41,200.00
EXPENDITURES			
Administration			
Executive Director (Contract)	\$ 23,000.00	\$ 26,000.00	\$ 25,000.00
Administrative Support	\$ 200.00	\$ 200.00	\$ 200.00
Audit Fees	<u>\$ 1,500.00</u>	<u>\$ 1,500.00</u>	<u>\$ 1,500.00</u>
Total Administration	\$ 24,700.00	\$ 27,700.00	\$ 26,700.00
Programming			
Welcome Train Sign	\$ 650.00	\$ 500.00	\$ 500.00
Website maintenance	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Member development	<u>\$ 2,000.00</u>	<u>\$ -</u>	<u>\$ -</u>
Total Programming	\$ 4,150.00	\$ 2,000.00	\$ 2,000.00
Special Projects			
Urban Camp Project	\$ 750.00		\$ 750.00
Street signs	\$ -	\$ 1,250.00	\$ -
Flower project	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
Graffiti project	<u>\$ 500.00</u>	<u>\$ -</u>	<u>\$ 500.00</u>
Total Special Projects	\$ 4,750.00	\$ 4,750.00	\$ 4,750.00
Board Expense			
Board Meetings	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00
Strategic Planning	\$ -	\$ -	\$ -
Training, Conferences, Events	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Memberships	<u>\$ 500.00</u>	<u>\$ 500.00</u>	<u>\$ 500.00</u>
Total Board Expense	\$ 7,750.00	\$ 7,750.00	\$ 7,750.00
Total Expenditures	\$ 41,350.00	\$ 42,200.00	\$ 41,200.00
Annual Operating Surplus/Deficit	\$ 150.00	\$ -	\$ -
RESERVES			
Start of year	\$ 82,900.00	\$ 82,900.00	\$ 70,840.00
Contribution to reserve	\$ -	\$ -	\$ -
Reserves used	<u>-\$ 9,000.00</u>	<u>-\$ 12,060.00</u>	<u>-\$ 8,700.00</u>
Year End Surplus/Deficit	\$ 73,900.00	\$ 70,840.00	\$ 62,140.00

Signed and dated



Lloyd Moker, Executive Director, SBID



Kos Kosmas, Secretary/Treasurer, SBID

SUTHERLAND BUSINESS IMPROVEMENT DISTRICT

2015 Annual General Meeting (A.G.M.) Minutes
Venice House, 906 Central Avenue, Saskatoon SK
March 16, 2016

1. **Call to order**

In accordance with our by-laws, Sheldon Wasylenko took the position of Chair. The meeting was called to order at 11:40 am. Attendance was taken.

2. **AGM Meeting Notification, Quorum, and Recording Secretary**

The Chair asked Lloyd Moker, Executive Director to act as Recording Secretary and reported that notification of the A.G.M. was mailed out to all SBID members one month prior to the meeting.

The Secretary advised that notice for calling this meeting was duly delivered to members of the SBID in good standing as of December 31, 2015. As such, the Chair declared this meeting has been duly called and is properly constituted, and that the list of members in attendance be filed with the minutes of this meeting.

3. **Addition/Deletions/Changes and Adoption of the Agenda**

A MOTION to adopt the Agenda, as presented, was made by Kos Kosmas, Leo Morrison
SECONDED.
Carried.

4. **Acknowledgment of 2015 Board of Management in Attendance**

Members of the SBID's Board of Management, including the Executive Director were present.

5. **Review and Adoption of Minutes for Sutherland B.I.D. 2014 AGM**

The 2014 A.G.M. minutes held on April 1, 2015 were reviewed. There were no errors or omissions.

Councillor Zach Jeffries made a MOTION to adopt the minutes as presented.
Kos Kosmas SECONDED.
Carried.

6. **Reports**

6.1 **Chairman's Report**

Sheldon Wasylenko presented his report as Chair.

In addition to his report, Sheldon made reference to the promotion of Pat Hyde, the former Director of Public Works for the City of Saskatoon. Pat has been promoted to a new position within the City. Over the last two years, Mr. Hyde has been very supportive of the BID's. His communication skills have been recognized and appreciated by us. We wish Pat well in his new role.

The new Flex Parking System was introduced in Sutherland in October of 2015. The new system has had its challenges in Sutherland, however the funding opportunities that will be seen should outweigh the short-term problems that have been identified and addressed.

Sheldon Wasylenko made a MOTION to adopt the report as presented.
Leo Morrison SECONDED.
Carried.

6.2 **Treasurer's Report**

The financial statements use traditional income and expense reporting as opposed to fund accounting which was used previously.

Kos Kosmas made a MOTION to adopt the report as presented.
Leo Morrison SECONDED.
Carried.

6.2.1 **Appointment of Auditor**

Kos Kosmas made a MOTION to appoint James H. Stinn as auditor for 2016.
Sheldon Wasylenko SECONDED.
Carried.

We will meet with Mr. Stinn in 2016 to review our contract with his firm.

6.2.2 **Receive and Adopt 2015 Sutherland B.I.D. Financial Statements**

Kos Kosmas made a MOTION to accept the 2015 financial statements as presented.
Councillor Zach Jeffries SECONDED.
Carried.

6.2.3 Receive and adopt 2016 budget

The proposed budget for 2016 was presented by Kos Kosmas, Secretary/Treasurer.

We are now following the budget format as required by the City of Saskatoon. The budget includes a 5% increase for 2016.

Kos Kosmas made a MOTION to accept the budget as presented.
Councillor Zach Jeffries SECONDED.
Carried.

7. Election of Directors for the Sutherland B.I.D. Board of Management for 2015~~6~~

The following individuals have been elected to the SBID Board of Management for 2016. Positions on the Board will be determined at the next Executive Meeting.

Nominations:

- Sheldon Wasylenko
- Kos Kosmas
- Leanne Priddell
- Leo Morrison
- Kyle Gerwing

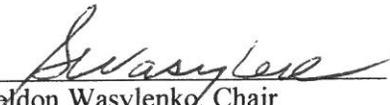
Counsellor Zach Jeffries, Ward 10, appointed by City of Saskatoon.

8. Adjourn

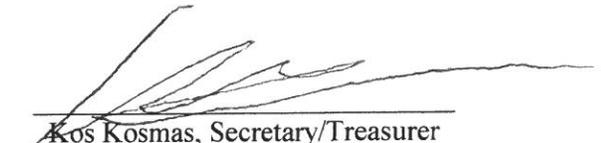
MOTION to adjourn this meeting was made by Councillor Zach Jeffries

Meeting adjourned at 12:20 pm.

SIGNED and RECORDED,


Sheldon Wasylenko, Chair

March 17, 2016.
Date


Kos Kosmas, Secretary/Treasurer

March 17/2016
Date

33rd STREET BUSINESS IMPROVEMENT DISTRICT

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

for the year ended December 31, 2016

33rd STREET BUSINESS IMPROVEMENT DISTRICT

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1	INDEPENDENT AUDITOR'S REPORT
3	STATEMENT OF FINANCIAL POSITION
4	STATEMENT OF OPERATIONS
5	STATEMENT OF NET ASSETS
6	STATEMENT OF CASH FLOWS
7	NOTES TO THE FINANCIAL STATEMENTS
11	STREET FAIR SCHEDULE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **33rd Street Business Improvement District**:

We have audited the accompanying financial statements of **33rd Street Business Improvement District** which comprise of the statement of financial position as of December 31, 2016 and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Unqualified Opinion

In our opinion the financial statements present fairly in all material respects the financial position of 33rd Street Business Improvement District as at December 31, 2016 and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Financial Administration Act of Saskatchewan we report that, in our opinion, Canadian Public Sector Accounting Standards have been applied on a consistent basis. We further report in accordance with the Financial Administration Act of Saskatchewan that, in our opinion, proper books of account have been kept by the organization, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the organization.

Bjorn Sigurdson C.P.A. Prof. Corp.

Saskatoon, Saskatchewan
April 11, 2017

Chartered Professional
Accountant

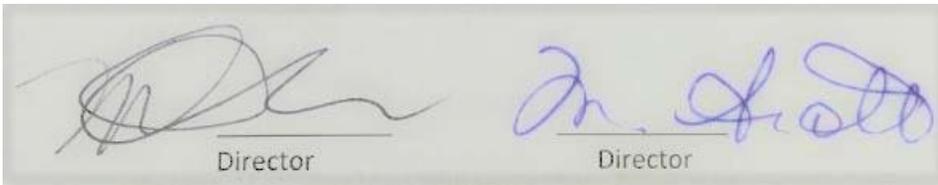


33rd STREET BUSINESS IMPROVEMENT DISTRICT

Statement of Financial Position

As at December 31, 2016	2016	2015
Current assets		
Cash and cash equivalents	19,075	11,603
GST receivable	776	234
	<u>19,851</u>	<u>11,837</u>
Total assets	<u>19,851</u>	<u>11,837</u>
Current liabilities		
Accrued liabilities	2,972	2,430
	<u>2,972</u>	<u>2,430</u>
Net Assets		
Fund - Banner Fabrication & Install	4,000	0
Fund - Marketing & Advertising Fund	5,000	0
Fund - Street Scaping Fund	4,000	0
Net Assets - Unrestricted	3,879	9,407
	<u>16,879</u>	<u>9,407</u>
Total liabilities and Net Assets	<u>19,851</u>	<u>11,837</u>

Approved on behalf of the Board



Director Director

The accompanying notes are an integral part of these financial statements

33rd STREET BUSINESS IMPROVEMENT DISTRICT

Statement of Operations

For the year ended December 31, 2016	2016	2015
Revenues		
BID Levy	19,678	18,333
Street fair - Vendor rentals	810	0
Street fair - Grants	500	0
	<u>20,988</u>	<u>18,333</u>
Street Fair Expenses - Schedule 1	4,659	0
Expenses		
Accounting and professional fees	2,673	2,430
Advertising	300	1,308
Bank charges	78	59
Branding	4,410	0
Insurance	650	1,097
Maintenance	0	3,723
Office supplies	19	156
Rental	59	0
Repair and maintenance	550	0
Supplies	118	47
Travel	0	106
Total expenses	<u>8,857</u>	<u>8,926</u>
Excess of Operations Revenue Over Expenses	<u>7,472</u>	<u>9,407</u>

The accompanying notes are an integral part of these financial statements

33rd STREET BUSINESS IMPROVEMENT DISTRICT

Statement of Cash Flows

For the year ended December 31, 2016	2016	2015
Operating activities		
Total excess (deficiency) of revenues over expenses	7,472	9,407
Non-cash adjustments:		
Depreciation	0	0
	7,472	9,407
Changes in non-cash working capital:		
GST receivable	(542)	(234)
Accrued liabilities	542	2,430
Cash flow from (used for) operating activities	7,472	11,603
Investing activities		
Net additions to fixed assets	0	0
Cash flow from (used for) investing activities	0	0
Opening cash balance	11,603	0
Net cash activity	7,472	11,603
	19,075	11,603

The accompanying notes are an integral part of these financial statements

33rd STREET BUSINESS IMPROVEMENT DISTRICT

Notes to Financial Statements

For the year ended December 31, 2016

1. Nature of organization:

The purpose of the organization is to promote the interests of the 33rd Street Business Improvement District's business owners, property owners and residents and thereby foster economic growth and stability within the 33rd Street Business Improvement District.

For Canadian income tax purposes the corporation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

2. Summary of Significant Accounting Policies

Basis of presentation

The Centre prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Deferral method of accounting

The Organization follows the deferral method of accounting for contributions. Grants and other sources of revenue that relate to future fiscal periods, and are received in advance, are recorded as deferred revenue. Revenue is recognized in the same period as the corresponding fund expenses.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

2. Summary of Significant Accounting Policies (continued)

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or received if the amount to be received can be reasonably estimated and collection is reasonably assured.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, rates for amortization and the impairment of assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Financial Instruments

The organization records financial instruments at fair value when acquired or issued. In subsequent periods the organization measures all financial asset and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments unless otherwise noted.

Contributed Services

Directors, committee members and owners volunteer their time to assist in the corporation's activities. While their services benefit the corporation considerably, a reasonable estimate of their amount and fair market value cannot be made and, accordingly, these contributed services are not recognized in these financial statements.

3. Financial instruments

The company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

The following analysis provides a measure of the company's risk exposure as at December 31, 2016.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and deferred revenue.

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or of there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such as the company could incur a financial loss. The Organization does not hold directly any collateral as security for financial obligations of counterparts. The Organization has various holdback from funding agencies as part of the funding agreement.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk on its variable interest rate financial instruments, which consist of term loans.

4. Accrued liabilities

The following is a summary of the organization's accrued liabilities:

	<u>2016</u>	<u>2015</u>
Bjorn Sigurdson CPA Prof Corp (Year end audit fees)	2,973	2,430

5. Budget

These budgeted figures, which are presented for comparison purposes only, are unaudited and are those approved by the Board of Directors:

	2016 Budget	2016 Actual	2017 Budget
<u>Revenues</u>			
BID levy	20,000	19,678	29,768
Street fair		1,310	800
GST refund	500	271	30
Total Revenues	20,500	21,259	30,598
<u>Expenditures</u>			
<i>Administration</i>			
Director insurance	650	650	650
Bank charges	100	84	100
Accounting and legal	2,500	2,673	2,700
Office supplies	1,000	196	1,000
Total Administration	4,250	3,603	4,450
<i>Special Projects & Events</i>			
Shop the Neighbourhood	\$ -	\$ -	\$ -
33rd Street Fair BID Contributions	\$ 4,000	\$ 4,659	\$ 4,000
Total Special Projects	\$ 4,000	\$ 4,659	\$ 4,000
<i>Market/Research & Education</i>			
Marketing & Advertising	\$ 5,000	\$ 4,710	\$ 10,300
Banner Fabrication & Installation	\$ 3,000		\$ 5,500
Total Market/Research	\$ 8,000	\$ 4,710	\$ 15,800
<i>Street Enhancement</i>			
Maintenance	\$ 4,000	\$ 550	\$ 1,100
Street Scaping			\$ 3,000
Total Street Enhancement	\$ 4,000	\$ 550	\$ 4,100
Total Expenditures	\$ 20,250	\$ 13,522	\$ 28,350
Surplus / (Deficit)	\$ 250	\$ 7,737	\$ 2,248

6. Comparative Figures

Certain 2015 comparative figures have been reclassified to conform with 2016 statement presentation.

33rd STREET BUSINESS IMPROVEMENT DISTRICT

Schedule of Revenues and Expenses for Street Fair

Schedule 1

For the year ended December 31, 2016	2016	2015
Revenues		
Street fair - Vendor rentals	810	0
Street fair - Grants	500	0
	<u>1,310</u>	<u>0</u>
Expenses		
Advertising	464	0
Entertainment	1,100	0
Equipment Rental	2,121	0
Insurance	429	0
Supplies	546	0
Total expenses	<u>4,660</u>	<u>0</u>
Annual (Deficit)Surplus from program	<u><u>-3,350</u></u>	<u><u>0</u></u>

The accompanying notes are an integral part of these financial statements